PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OF NEW JERSEY
REPORT ON AN INVESTIGATION OF EXPERIENCE
PREPARED AS OF JUNE 30, 2005

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October 10, 2006

Board of Trustees
Public Employees' Retirement System
of New Jersey
Trenton, New Jersey 08625-0295

Ladies and Gentlemen:

This year an actuarial investigation of the mortality, service and compensation experience of the members and beneficiaries of the retirement system was made in accordance with the provisions of Section 19 of Chapter 15A of the New Jersey Statutes. This Section specifies that such an investigation shall be made once in every three-year period. The results of this investigation are described in detail in the attached report. I am available at the Board's convenience to discuss this report.

Respectfully submitted,

(Signed) JANET H. CRANNA

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TABLE OF CONTENTS

REPORT ON AN INVESTIGATION OF THE EXPERIENCE OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY PREPARED AS OF JUNE 30, 2005

I. INTRODUCTION

Section 19 of Chapter 15A of the New Jersey Statutes provides that once in every three-year period the actuary shall examine in detail the mortality, service and compensation experience of the members and beneficiaries of the Retirement System. This investigation is designed to assure that the tables used for determining expected liabilities of the Retirement System are consistent with recent experience. If tables are not updated periodically, the liabilities of the System may be misstated, and resulting contributions either too large or too small to fund the actual accruing liabilities.

This report summarizes the Retirement System experience for the period from July 1, 2002 to June 30, 2005. Experience for State employees and for employees of the various local employers participating in the System was examined separately for active members. No separate examination was made for retired members and beneficiaries since similar mortality experience should be anticipated for these groups.

Also, this study examined the effect of the following legislations:

- Chapter 366, P.L. 2001 established a special Prosecutors Part for certain members of the System. The eligibility requirements and benefits payable under this Part are similar to those applicable under the Police and Firemen's Retirement System ("PFRS"). Initially, additional

rates of Service Retirement, similar to those currently used for PFRS, were used to reflect this legislation.

- Chapter 259, P.L. 2001 created special retirement benefits, similar to those provided in the Judicial Retirement System ("JRS"), for members employed as Workers Compensation Judges. Currently, no additional assumptions are used to value these benefits.

To avoid inflating assumed future rates of retirement that are not representative of "normal" retirement experience, we removed the effects of Chapter 23, P.L. 2002, Chapter 126, P.L. 2000, Chapter 127, P.L. 2003, Chapter 128, P.L. 2003 and Chapter 129, P.L. 2003 which provided Early Retirement Incentive (ERI) programs for the State and local employees. To remove the effect of the ERI's, all members who elected to retire under one of the ERI programs were excluded from the examination of the active members' experience portion of this study.

II. EXAMINATION OF EXPERIENCE

The experience among active members has been compared with the experience expected according to the active service tables and retirement tables which were developed on the basis of the three-year experience investigation for the period ended June 30, 2002. The increase in salary among active members has been compared with the expected increases according to the salary increase assumption set by the recent changes in economic assumptions. The experience among beneficiaries has also been

compared with the experience expected according to the mortality tables that were also developed from the three-year experience investigation for the period ended June 30, 2002.

In the case of withdrawals who are receiving a refund of accumulated deductions, since the Board has adopted select rates of withdrawal, the data for employees with less than three years of service were tabulated separately from the data for employees with three or more years of service but prior to retirement eligibility. However, in investigating the experience with respect to death, disability, vested withdrawal entitled to a deferred benefit or early retirement and service retirement, the employees were not divided according to select and ultimate years of service but were treated in one group. The expected number of separations from service on account of withdrawal, death, disability and service retirement were calculated by multiplying the rates of separation used as a basis for the active service tables by the number of those exposed to risk. The actual number of those who had separated from service was then compared with the expected number. The following tables give the results of these comparisons. If the ratio of actual to expected is 1.000, the tables have exactly predicted what actually occurred. If the ratio of actual to expected is greater than 1.000, then the tables have underestimated actual experience. If the ratio is less than 1.000, then the tables have overstated actual experience.

Table 1 examines experience for State employees, while Table 2 considers experience for employees of local employers.

For the Board's convenience, we have prepared a series of graphs which present the statistical data.

TABLE 1

**COMPARISON OF ACTUAL AND EXPECTED SEPARATIONS
FROM ACTIVE SERVICE
STATE EMPLOYEES**

WITHDRAWALS RECEIVING REFUND OF ACCUMULATED DEDUCTIONS

YEARS OF SERVICE	CENTRAL AGE OF GROUP	NUMBER OF SEPARATIONS		
		Actual	Expected	Ratio of Actual to Expected
0, 1, 2	**All**	5,617	7,655.60	.734
Ultimate	**20**	15	20.15	.744
	25	282	342.06	.824
	30	628	591.27	1.062
	35	610	700.46	.871
	40	505	710.92	.710
	45	441	690.03	.639
	50	382	589.77	.648
	55	384	532.51	.721
Subtotal Ultimate		3,247	4,177.17	.777
Total Withdrawals All Years		8,864	11,832.77	.749

TABLE 1

COMPARISON OF ACTUAL AND EXPECTED SEPARATIONS
FROM ACTIVE SERVICE
STATE EMPLOYEES
(continued)

DEATHS

TYPE	CENTRAL AGE OF GROUP	NUMBER OF SEPARATIONS		
		Actual	Expected	Ratio of Actual to Expected
Due To Ordinary Causes	**20**	3	1.45	2.069
	25	3	8.46	.355
	30	8	14.34	.558
	35	20	24.55	.815
	40	21	43.27	.485
	45	55	72.59	.758
	50	78	114.44	.682
	55	123	149.94	.820
	60	102	118.15	.863
	65	50	56.30	.888
	69	12	16.58	.724
	Total	475	620.07	.766
Due to Accidental Causes	**20**	0	.03	.000
	25	0	.17	.000
	30	0	.20	.000
	35	0	.27	.000
	40	0	.35	.000
	45	0	.42	.000
	50	0	.44	.000
	55	0	.38	.000
	60	0	.22	.000
	65	0	.09	.000
	69	0	.00	.000
	Total	0	2.57	.000
Due to all Causes	**Grand Total**	475	622.64	.763

TABLE 1

COMPARISON OF ACTUAL AND EXPECTED SEPARATIONS
FROM ACTIVE SERVICE
STATE EMPLOYEES
(continued)

DISABILITY RETIREMENTS

TYPE	CENTRAL AGE OF GROUP	NUMBER OF SEPARATIONS		
		Actual	Expected	Ratio of Actual to Expected
Due to Ordinary Causes	**30**	0	1.23	0.000
	35	30	16.08	1.866
	40	82	46.36	1.769
	45	163	112.93	1.443
	50	191	170.54	1.120
	55	250	216.98	1.152
	60	255	242.48	1.052
	65	91	83.64	1.088
	69	23	19.44	1.183
	Total	1,085	909.68	1.193
Due to Accidental Causes	**20**	0	.03	.000
	25	0	.22	.000
	30	0	.72	.000
	35	1	2.34	.427
	40	7	4.17	1.679
	45	11	5.28	2.083
	50	12	7.24	1.657
	55	20	10.60	1.887
	60	6	6.12	.980
	65	5	3.03	1.650
	69	0	.84	.000
	Total	62	40.59	1.527
Due to All Causes	**Grand Total**	1,147	950.27	1.207

TABLE 1

**COMPARISON OF ACTUAL AND EXPECTED SEPARATIONS
FROM ACTIVE SERVICE
STATE EMPLOYEES
(continued)**

DEFERRED VESTED, EARLY AND SERVICE RETIREMENTS

TYPE	CENTRAL AGE OF GROUP	NUMBER OF SEPARATIONS		
		Actual	Expected	Ratio of Actual to Expected
Deferred Vested and Early Retirement	**20**	0	.00	.000
	25	0	.00	.000
	30	0	.00	.000
	35	0	8.92	.000
	40	3	21.87	.137
	45	58	72.23	.803
	50	200	241.55	.828
	55	51	232.36	.219
	Total	312	576.93	.541
Service Retirement	**55**	241	308.77	.781
	56	123	193.65	.635
	57	99	155.90	.635
	58	107	124.99	.856
	59	286	195.09	1.466
	60	333	420.91	.791
	61	236	353.41	.668
	62	317	561.78	.564
	63	176	313.88	.561
	64	112	271.95	.412
	65	192	360.13	.533
	66	98	211.32	.464
	67	77	153.60	.501
	68	64	131.25	.488
	69	72	116.25	.619
	Total	2,533	3,872.88	.654
Due to All Causes	**Grand Total**	2,845	4,449.81	.639

TABLE 1

COMPARISON OF ACTUAL AND EXPECTED SEPARATIONS FROM ACTIVE SERVICE STATE EMPLOYEES (continued)

CHAPTER 366, P.L. 2001 – PROSECUTORS PART SERVICE RETIREMENTS

AGE	Age 55 with Less Than 20 Years of Service			With 20 Years of Service		
	Actual	Expected	Ratio of Actual to Expected	Actual	Expected	Ratio of Actual to Expected
40				1	.03	33.333
45				0	.30	.000
50				0	.19	.000
53				0	.05	.000
54				0	.05	.000
55	0	.26	.000	0	.00	.000
56	0	.26	.000	0	.00	.000
57	1	.34	2.941	0	.00	.000
58	0	.16	.000	0	.00	.000
59	0	.19	.000	0	.00	.000
60	0	.18	.000	0	.00	.000
61	0	.16	.000	0	.00	.000
62	0	.05	.000	0	.00	.000
63	0	.08	.000	0	.00	.000
64	0	.05	.000	0	.00	.000
65	0	.03	.000	0	.38	.000
66	0	.00	.000	0	.00	.000
67	0	.00	.000	0	.00	.000
68	0	.03	.000	0	.00	.000
69	0	.03	.000	0	.00	.000
Total	1	1.82	.549	1	1.00	1.000

TABLE 1

COMPARISON OF ACTUAL AND EXPECTED SEPARATIONS
FROM ACTIVE SERVICE
STATE EMPLOYEES
(continued)

CHAPTER 366, P.L. 2001 – PROSECUTORS PART
SERVICE RETIREMENTS

AGE	With 21 to 24 Years of Service			With More Than 24 Years of Service		
	Actual	Expected	Ratio of Actual to Expected	Actual	Expected	Ratio of Actual to Expected
40	0	.00	.000	0	.00	.000
45	0	.00	.000	0	.00	.000
50	0	.00	.000	7	.07	100.000
53	0	.00	.000	3	.03	100.000
54	0	.00	.000	2	.04	50.000
55	0	.00	.000	1	.46	2.174
56	1	.00	.000	1	.22	4.545
57	0	.00	.000	1	.45	2.222
58	0	.00	.000	0	.45	.000
59	0	.00	.000	0	.21	.000
60	0	.00	.000	0	.26	.000
61	0	.00	.000	1	.26	3.846
62	0	.00	.000	1	.36	2.778
63	0	.00	.000	1	.28	3.571
64	0	.00	.000	0	.15	.000
65	0	.00	.000	0	.00	.000
66	0	.00	.000	0	00	.000
67	0	.00	.000	1	.15	6.667
68	0	.00	.000	1	.15	6.667
69	0	.00	.000	0	.00	.000
Total	1	0.00	0.000	20	3.54	5.650

TABLE 1

COMPARISON OF ACTUAL AND EXPECTED SEPARATIONS
FROM ACTIVE SERVICE
STATE EMPLOYEES
(continued)

CHAPTER 259, P.L. 2001 – WORKERS COMPENSATION JUDGES
DEFERRED VESTED, EARLY AND SERVICE RETIREMENTS

TYPE	CENTRAL AGE OF GROUP	NUMBER OF SEPARATIONS		
		Actual	Expected	Ratio of Actual to Expected
Deferred Vested and Early Retirement	**40**	0	.00	.000
	45	0	.02	.000
	50	0	.11	.000
	53	0	.03	.000
	54	0	.05	.000
	55	0	.03	.000
	56	0	.03	.000
	57	0	.05	.000
	58	0	.04	.000
	59	0	.03	.000
	Total	0	0.39	0.000
Service Retirement	**60**	0	.79	.000
	61	0	.79	.000
	62	0	1.62	.000
	63	0	.56	.000
	64	0	.60	.000
	65	1	.92	1.087
	66	0	.72	.000
	67	0	.45	.000
	68	0	.30	.000
	69	1	.30	3.333
	Total	2	7.05	.284
Due to All Causes	**Grand Total**	2	7.44	.269

TABLE 2

**COMPARISON OF ACTUAL AND EXPECTED SEPARATIONS
FROM ACTIVE SERVICE
LOCAL EMPLOYEES**

WITHDRAWALS RECEIVING REFUND OF ACCUMULATED DEDUCTIONS

YEARS OF SERVICE	CENTRAL AGE OF GROUP	NUMBER OF SEPARATIONS		
		Actual	Expected	Ratio of Actual to Expected
0, 1, 2	**All**	16,173	18,606.67	.869
Ultimate	**20**	77	80.02	.962
	25	851	831.26	1.024
	30	1,354	1,385.28	.977
	35	1,486	1,443.90	1.029
	40	1,706	2,000.58	.853
	45	1,978	2,488.20	.795
	50	1,702	2,141.77	.795
	55	1,599	1,813.99	.881
Subtotal Ultimate		10,753	12,185.00	.882
Total Withdrawals All Years		26,926	30,791.67	.874

TABLE 2

COMPARISON OF ACTUAL AND EXPECTED SEPARATIONS
FROM ACTIVE SERVICE
LOCAL EMPLOYEES
(continued)

DEATHS

TYPE	CENTRAL AGE OF GROUP	NUMBER OF SEPARATIONS		
		Actual	Expected	Ratio of Actual to Expected
Due To Ordinary Causes	**20**	3	3.28	.915
	25	8	14.56	.549
	30	12	21.17	.567
	35	29	42.35	.685
	40	61	97.69	.624
	45	129	175.85	.734
	50	174	283.99	.613
	55	262	375.98	.697
	60	280	401.79	.697
	65	183	296.03	.618
	69	51	91.00	.560
	Total	1,192	1,803.69	.661
Due to Accidental Causes	**20**	0	.08	.000
	25	0	.28	.000
	30	0	.35	.000
	35	0	.52	.000
	40	0	.80	.000
	45	1	1.02	.980
	50	0	1.02	.000
	55	1	.93	1.075
	60	0	.67	.000
	65	0	.34	.000
	69	0	.08	.000
	Total	2	6.09	.328
Due to all Causes	**Grand Total**	1,194	1,809.78	.660

TABLE 2

COMPARISON OF ACTUAL AND EXPECTED SEPARATIONS
FROM ACTIVE SERVICE
LOCAL EMPLOYEES
(continued)

DISABILITY RETIREMENTS

TYPE	CENTRAL AGE OF GROUP	NUMBER OF SEPARATIONS		
		Actual	Expected	Ratio of Actual to Expected
Due to Ordinary Causes	**30**	8	1.38	5.797
	35	39	22.03	1.770
	40	123	73.23	1.680
	45	182	157.38	1.156
	50	278	258.39	1.076
	55	420	398.72	1.053
	60	458	419.46	1.092
	65	301	210.41	1.431
	69	61	54.68	1.116
	Total	1,870	1,595.68	1.172
Due to Accidental Causes	**20**	0	.08	.000
	25	1	.28	3.571
	30	3	1.41	2.128
	35	2	1.94	1.031
	40	6	6.81	.881
	45	14	8.22	1.703
	50	16	13.26	1.207
	55	17	11.95	1.423
	60	22	14.40	1.528
	65	8	6.29	1.272
	69	1	.96	1.042
	Total	90	65.60	1.372
Due to All Causes	**Grand Total**	1,960	1,661.28	1.180

TABLE 2

COMPARISON OF ACTUAL AND EXPECTED SEPARATIONS
FROM ACTIVE SERVICE
LOCAL EMPLOYEES
(continued)

DEFERRED VESTED, EARLY AND SERVICE RETIREMENTS

TYPE	CENTRAL AGE OF GROUP	NUMBER OF SEPARATIONS		
		Actual	Expected	Ratio of Actual to Expected
Deferred Vested and Early Retirement	**20**	0	.00	.000
	25	0	.00	.000
	30	0	1.55	.000
	35	0	11.40	.000
	40	0	30.77	.000
	45	76	115.04	.661
	50	315	345.84	.911
	55	115	503.42	.228
	Total	506	1,008.02	.502
Service Retirement	**55**	474	274.02	1.730
	56	251	265.36	.946
	57	228	241.95	.942
	58	207	217.97	.950
	59	843	487.34	1.730
	60	1,292	1,081.24	1.195
	61	1,004	1,049.41	.957
	62	1,342	1,836.41	.731
	63	876	933.13	.939
	64	697	827.08	.843
	65	1,069	1,508.22	.709
	66	626	886.09	.706
	67	519	658.20	.789
	68	420	489.26	.858
	69	356	428.97	.830
	Total	10,204	11,184.65	.912
Due to all Causes	**Grand Total**	10,710	12,192.67	.878

TABLE 2

COMPARISON OF ACTUAL AND EXPECTED SEPARATIONS FROM ACTIVE SERVICE LOCAL EMPLOYEES (continued)

CHAPTER 366, P.L. 2001 – PROSECUTORS PART SERVICE RETIREMENTS

AGE	Age 55 with Less Than 20 Years of Service			With 20 Years of Service		
	Actual	Expected	Ratio of Actual to Expected	Actual	Expected	Ratio of Actual to Expected
40				0	.00	.000
45				0	.60	.000
50				2	.53	3.774
53				0	.15	.000
54				0	.10	.000
55	0	.46	.000	1	.10	10.000
56	0	.31	.000	0	.05	.000
57	0	.33	.000	0	.00	.000
58	0	.27	.000	0	.10	.000
59	0	.36	.000	0	.05	.000
60	0	.24	.000	0	.15	.000
61	1	.24	4.167	0	.05	.000
62	0	.21	.000	0	.00	.000
63	0	.18	.000	0	.15	.000
64	0	.09	.000	0	.38	.000
65	0	.03	.000	0	.38	.000
66	0	.00	.000	0	.00	.000
67	0	.03	.000	0	.00	.000
68	0	.03	.000	0	.00	.000
69	0	.03	.000	0	.00	.000
Total	1	2.81	.356	3	2.79	1.075

TABLE 2

COMPARISON OF ACTUAL AND EXPECTED SEPARATIONS
FROM ACTIVE SERVICE
LOCAL EMPLOYEES
(continued)

CHAPTER 366, P.L. 2001 – PROSECUTORS PART
SERVICE RETIREMENTS

AGE	With 21 to 24 Years of Service			With More Than 24 Years of Service		
	Actual	Expected	Ratio of Actual to Expected	Actual	Expected	Ratio of Actual to Expected
40	0	.00	.000	0	.00	.000
45	0	.00	.000	0	.00	.000
50	2	.00	.000	8	.16	50.000
53	1	.00	.000	3	.12	25.000
54	0	.00	.000	3	.16	18.750
55	0	.00	.000	4	3.28	1.220
56	2	.00	.000	7	2.58	2.713
57	0	.00	.000	5	2.10	2.381
58	1	.00	.000	0	1.17	.000
59	0	.00	.000	2	3.15	.635
60	0	.00	.000	3	1.09	2.752
61	1	.00	.000	6	1.01	5.941
62	0	.00	.000	2	1.01	1.980
63	0	.00	.000	1	.52	1.923
64	0	.00	.000	0	.31	.000
65	0	.00	.000	1	.66	1.515
66	0	.00	.000	0	.31	.000
67	0	.00	.000	0	.00	.000
68	0	.00	.000	0	.00	.000
69	0	.00	.000	0	.00	.000
Total	7	.00	0.000	45	17.63	2.552

Based on the salary increase assumption which was approved by the Treasurer as part of the revised economic assumptions, the expected salaries of those members who remain in service from year to year were obtained and these expected salaries were compared with the actual salaries. This comparison is summarized in the following tables, with Table 3 showing values for State employees and Table 4 for employees of local employers. Again, a ratio of actual to expected of 1.000 would indicate actual salary increases were identical to anticipated increases, greater than 1.000 indicates salaries have increased faster than anticipated, and less than 1.000 indicates salaries have increased slower than anticipated.

TABLE 3

COMPARISON OF ACTUAL AND EXPECTED SALARIES OF MEMBERS STATE EMPLOYEES

CENTRAL AGE OF GROUP	SALARIES AT END OF YEAR		
	Actual	Expected	Ratio of Actual to Expected
20	$ 49,944,129	$ 48,425,732	1.0314
25	390,829,690	380,512,097	1.0271
30	595,031,012	582,854,314	1.0209
35	963,035,852	953,139,326	1.0104
40	1,447,766,867	1,445,501,509	1.0016
45	1,874,683,146	1,878,456,107	0.9980
50	2,051,304,979	2,061,771,714	0.9949
55	1,770,391,519	1,780,004,782	0.9946
60	951,744,103	954,863,183	0.9967
65	291,676,394	291,148,856	1.0018
Total	$ 10,386,407,691	$ 10,376,677,620	1.0009

TABLE 4

COMPARISON OF ACTUAL AND EXPECTED SALARIES OF MEMBERS
LOCAL EMPLOYEES

CENTRAL AGE OF GROUP	SALARIES AT END OF YEAR		
	Actual	Expected	Ratio of Actual to Expected
20	$ 99,800,416	$ 96,306,595	1.0363
25	483,985,002	473,410,886	1.0223
30	800,503,149	792,534,327	1.0101
35	1,391,540,673	1,382,142,369	1.0068
40	2,174,042,556	2,159,668,407	1.0067
45	2,864,098,194	2,844,374,101	1.0069
50	3,084,717,613	3,070,594,242	1.0046
55	2,843,408,068	2,833,336,669	1.0036
60	1,920,903,784	1,914,741,497	1.0032
65	856,191,498	854,650,985	1.0053
Total	$ 16,519,190,971	$ 16,418,760,078	1.0061

The following tables give a comparison of the actual and expected deaths among retired members and their beneficiaries. In obtaining the expected deaths, the rates of mortality employed as a basis for the mortality tables last adopted by the Board for pensioners and their beneficiaries were used. As noted earlier, experience was not separately analyzed for employees of the State and local employers. A ratio of actual to expected of 1.000 means deaths occurred exactly as anticipated, higher than 1.000 means more deaths occurred than expected, and less than 1.000 means fewer deaths occurred than expected.

TABLE 5

COMPARISON OF ACTUAL AND EXPECTED CASES OF DEATH
AMONG RETIRED MEMBERS
STATE AND LOCAL COMBINED

NUMBER OF DEATHS

CENTRAL AGE OF GROUP	MEN			WOMEN		
	Actual	Expected	Ratio of Actual to Expected	Actual	Expected	Ratio of Actual to Expected
Service Retirements, Early Retirements and Deferred Vested Benefits Which Have Become Payable						
50	7	4.5	1.556	2	2.6	0.769
55	45	37.8	1.190	27	16.4	1.646
60	95	125.0	0.760	73	85.3	0.856
65	318	388.5	0.819	287	296.0	0.970
70	691	834.0	0.829	560	637.7	0.878
75	1,140	1,360.4	0.838	931	1,079.3	0.863
80	1,358	1,646.1	0.825	1,270	1,441.1	0.881
85	1,249	1,375.5	0.908	1,148	1,261.3	0.910
90	707	698.9	1.012	858	788.2	1.089
95 and over	228	219.9	1.037	382	352.1	1.085
Total	5,838	6,690.9	0.873	5,538	5,960.0	0.929
Disability Retirements						
45 and under	22	46.4	0.474	22	36.5	0.603
50	31	50.5	0.614	31	52.5	0.590
55	67	86.5	0.775	57	85.7	0.665
60	96	112.4	0.854	80	112.2	0.713
65	119	130.5	0.912	104	110.3	0.943
70	103	115.8	0.889	97	91.4	1.061
75	77	69.9	1.102	52	57.8	0.900
80	50	55.0	0.909	38	41.7	0.911
85	24	29.7	0.808	23	29.5	0.780
90	14	9.0	1.556	7	6.4	1.094
95 and over	2	1.4	1.429	3	2.6	1.154
Total	605	707.1	0.856	514	626.6	0.820

TABLE 6

COMPARISON OF ACTUAL AND EXPECTED CASES OF DEATH AMONG DEPENDENTS OF ACTIVE AND RETIRED MEMBERS WHO HAVE DIED STATE AND LOCAL COMBINED

NUMBER OF DEATHS

CENTRAL AGE OF GROUP	MEN			WOMEN		
	Actual	Expected	Ratio of Actual to Expected	Actual	Expected	Ratio of Actual to Expected
Dependents of Members Who Died While in Active Service						
65	0	0.1	0.000	0	0.0	0.000
70	1	0.0	0.000	0	0.1	0.000
75	0	0.0	0.000	1	0.3	3.333
80	0	0.0	0.000	0	0.3	0.000
85	0	0.0	0.000	1	2.6	0.385
90	0	0.0	0.000	1	1.7	0.588
95 and over	0	0.0	0.000	1	2.0	0.500
Total	1	0.1	10.000	4	7.0	0.571
Dependents of Deceased Pensioners						
45	4	0.5	8.000	4	0.7	5.714
50	0	0.7	0.000	3	0.9	3.333
55	2	1.2	1.667	5	2.7	1.852
60	1	2.7	0.370	16	6.4	2.500
65	6	5.3	1.132	31	20.0	1.550
70	6	11.2	0.535	70	57.8	1.211
75	24	22.3	1.076	140	142.3	0.984
80	37	40.7	0.909	258	277.9	0.928
85	32	36.2	0.884	348	392.0	0.888
90	28	26.8	1.045	309	299.3	1.032
95 and over	15	10.3	1.456	178	177.4	1.003
Total	155	157.9	0.982	1,362	1,377.4	0.989

III. COMMENTS AND GENERAL RECOMMENDATION OF THE ACTUARY

RATES OF WITHDRAWALS RECEIVING REFUND OF ACCUMULATED DEDUCTIONS

Table 1 shows that, for State employees, actual withdrawals during the first three years of service have been about 73% of the number expected. This result is consistent with the previous experience study which showed actual terminations about 84% of that expected. Therefore, we recommend a decrease in the rates. For withdrawals with three or more years of service, actual withdrawals are about 78% of the number expected. The data clearly shows that actual terminations are less than expected for all ages except age 30 where actual terminations are in line with the number expected. This result is inconsistent with the prior study for ages below age 40 and we recommend no changes at these ages. On the other hand, actual terminations for ages 40 and over continue to be less than the number expected so we recommend a decrease in these rates.

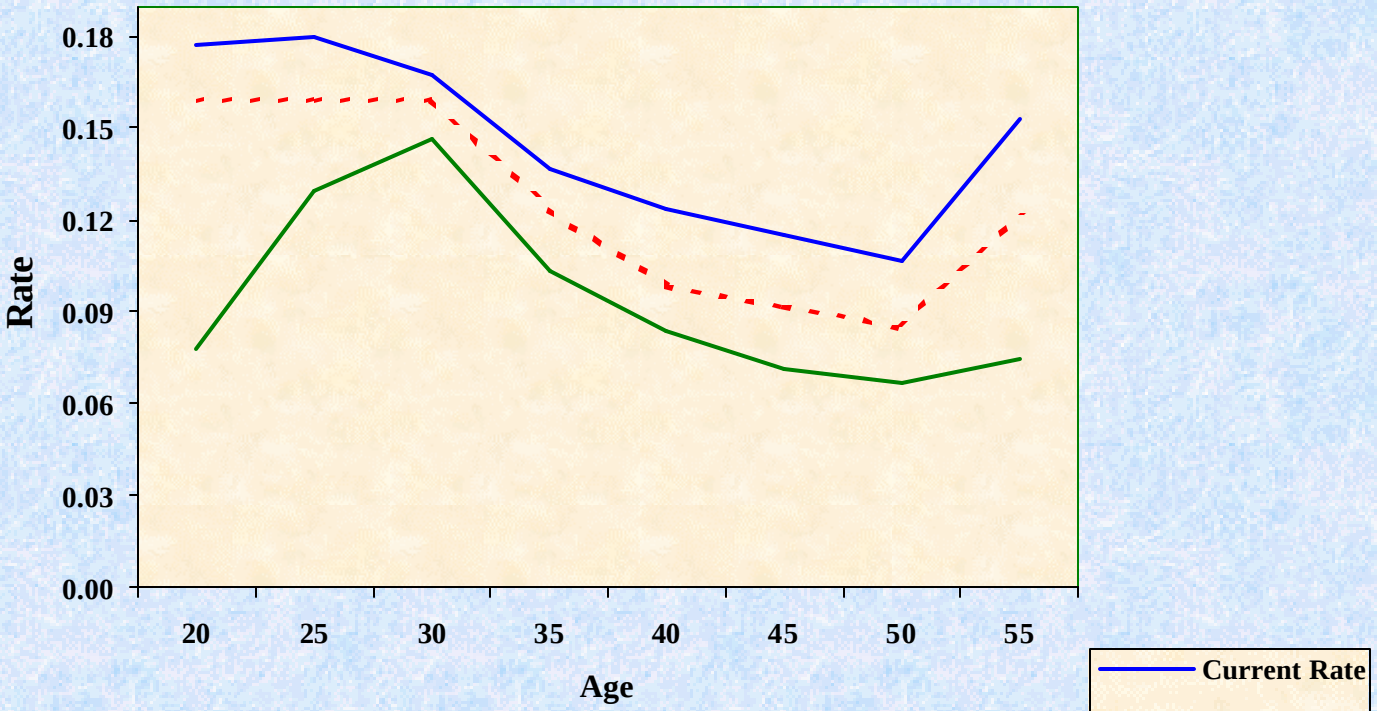
Table 2, employees of local employers, shows that withdrawals during the first three years of service are about 87% of that expected. In fact, the study showed that actual terminations are lower than expected for all ages. We recommend a decrease to these rates. The actual member withdrawals after the first three years are about 12% lower than expected primarily due to the experience of members over age 35. Therefore, we recommend a decrease in the rates after age 35.

The following graphs show the current withdrawal rates, the actual withdrawal rates and the proposed rates.

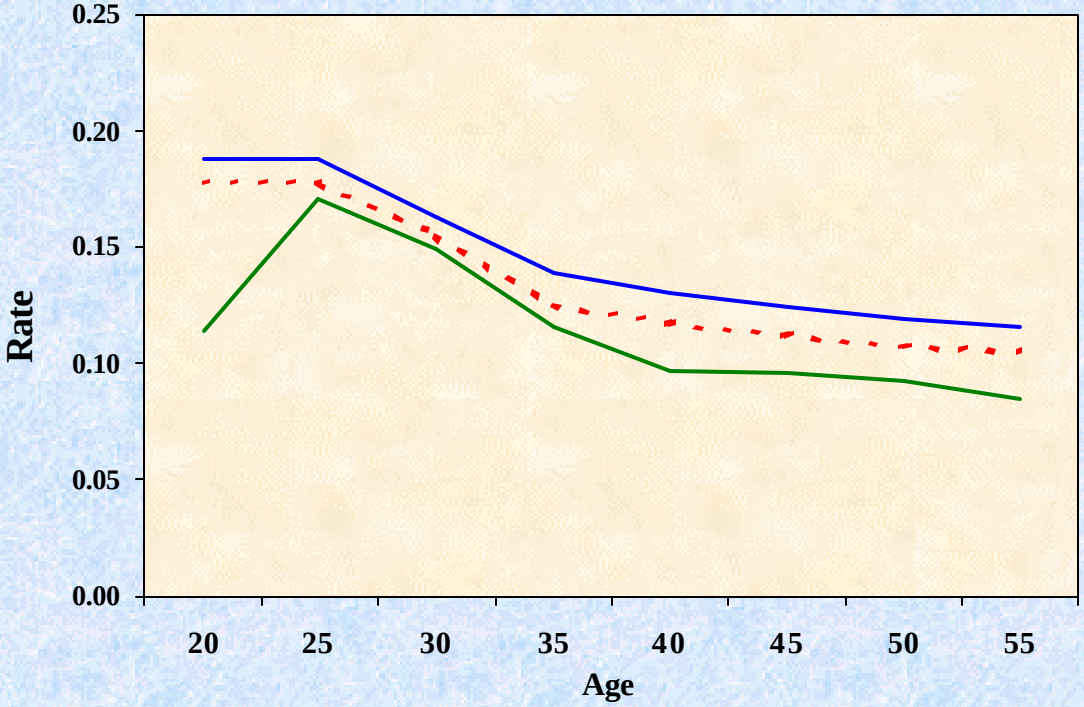
Public Employees' Retirement System of New Jersey

Withdrawals During First Three Years of Employment
July 1, 2002 through June 30, 2005

State Employees



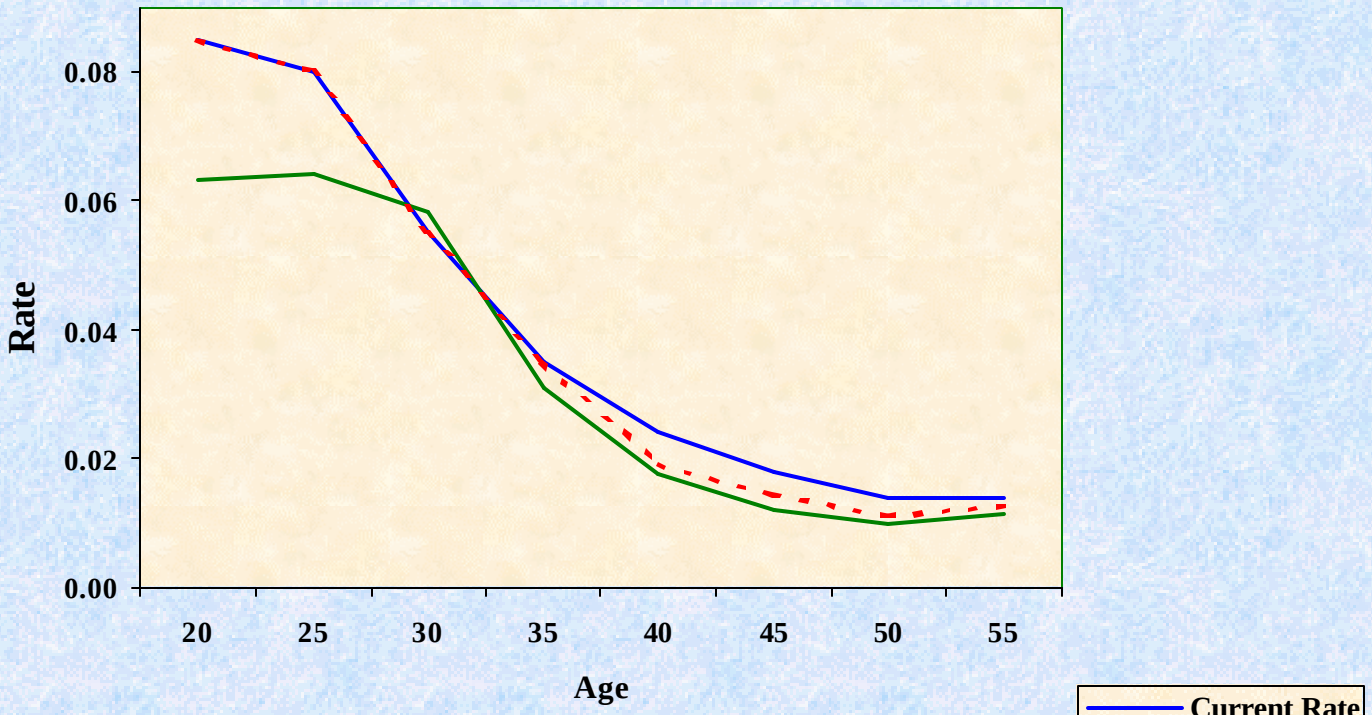
Employees of Local Employers



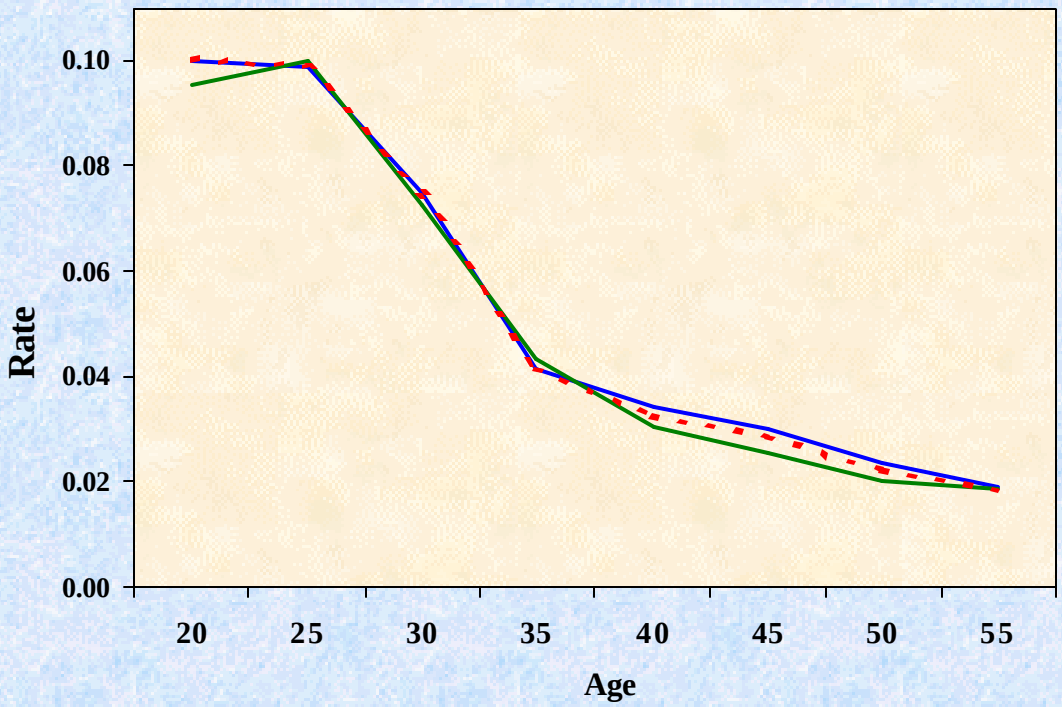
Public Employees' Retirement System of New Jersey

Ultimate Rates of Withdrawals
July 1, 2002 through June 30, 2005

State Employees



Employees of Local Employers



RATES OF DEATH AMONG ACTIVE MEMBERS

Since different benefits are paid upon ordinary and accidental death, the mortality experience with respect to these two causes of death were investigated separately. Tables 1 and 2 show that, with respect to both ordinary and accidental death, the actual number of deaths was less than the number expected. This pattern has held true for both State and employees of local employers over the past 24 years. A reduction in the rates of mortality due to ordinary death is warranted at this time for both State and local employees. No change is recommended in the accidental death rates for either group since their experience is close to what was expected relative to the small incidence of this event. The graphs on pages 28 and 29 show the current, actual and proposed rates for ordinary and accidental deaths.

RATES OF DISABILITY RETIREMENT

For disability retirements, ordinary and accidental disability rates are considered separately. Tables 1 and 2 indicate that for both State and employees of local employers, overall, the tables presently in use result in the actual number of ordinary disabilities being considerably more than the expected number of ordinary disabilities. This is consistent with results of the three prior studies and we recommend further increases to those rates.

Similarly, Tables 1 and 2 indicate that for both State and employees of local employers, the accidental disability rates presently in use result in a higher than expected number of actual accidental disabilities. This result is consistent with the prior studies and we recommend an increase in the rates for ages 40 and older for State employees and an increase in the rates at all ages for employees of local employers.

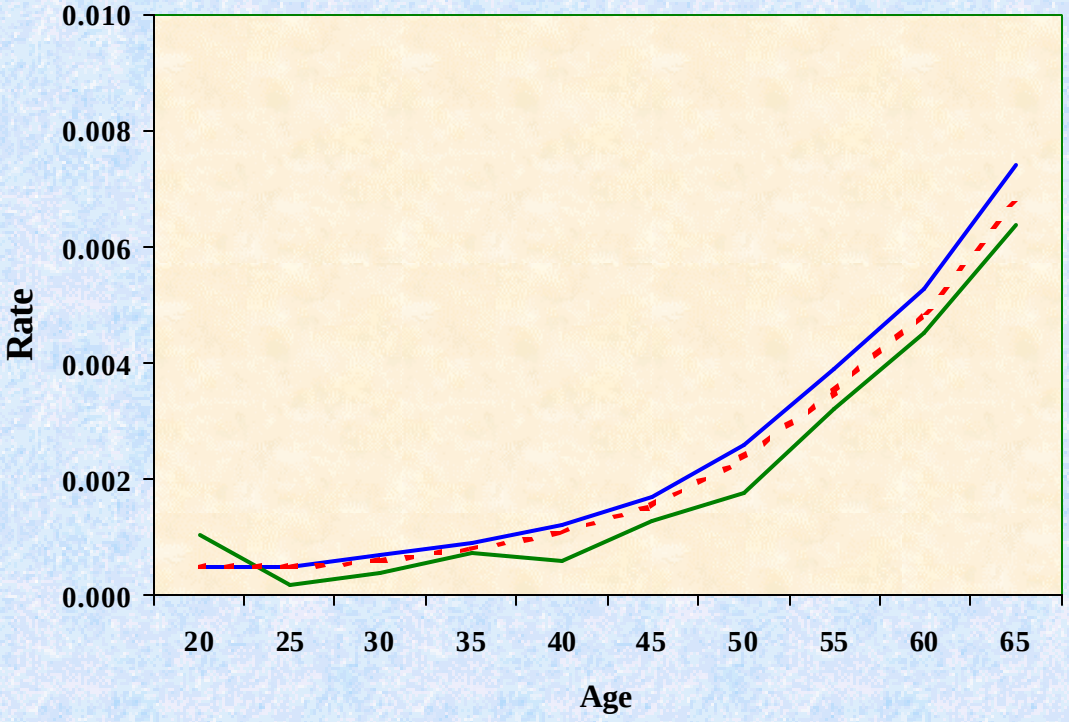
The graphs on pages 30 and 31 show the current, actual and proposed rates for ordinary and accidental disabilities.

Public Employees' Retirement System of New Jersey

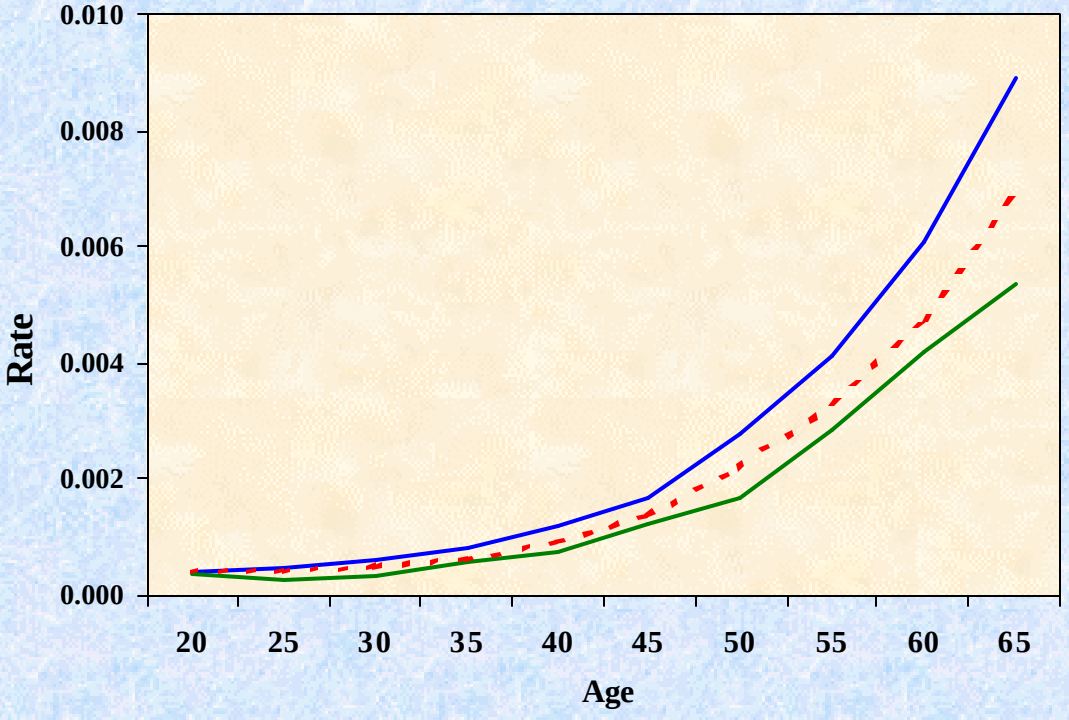
Ordinary Death – Active Members

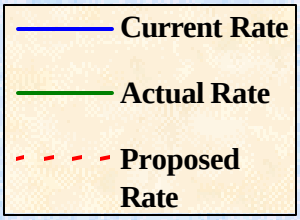
July 1, 2002 through June 30, 2005

State Employees



Employees of Local Employers



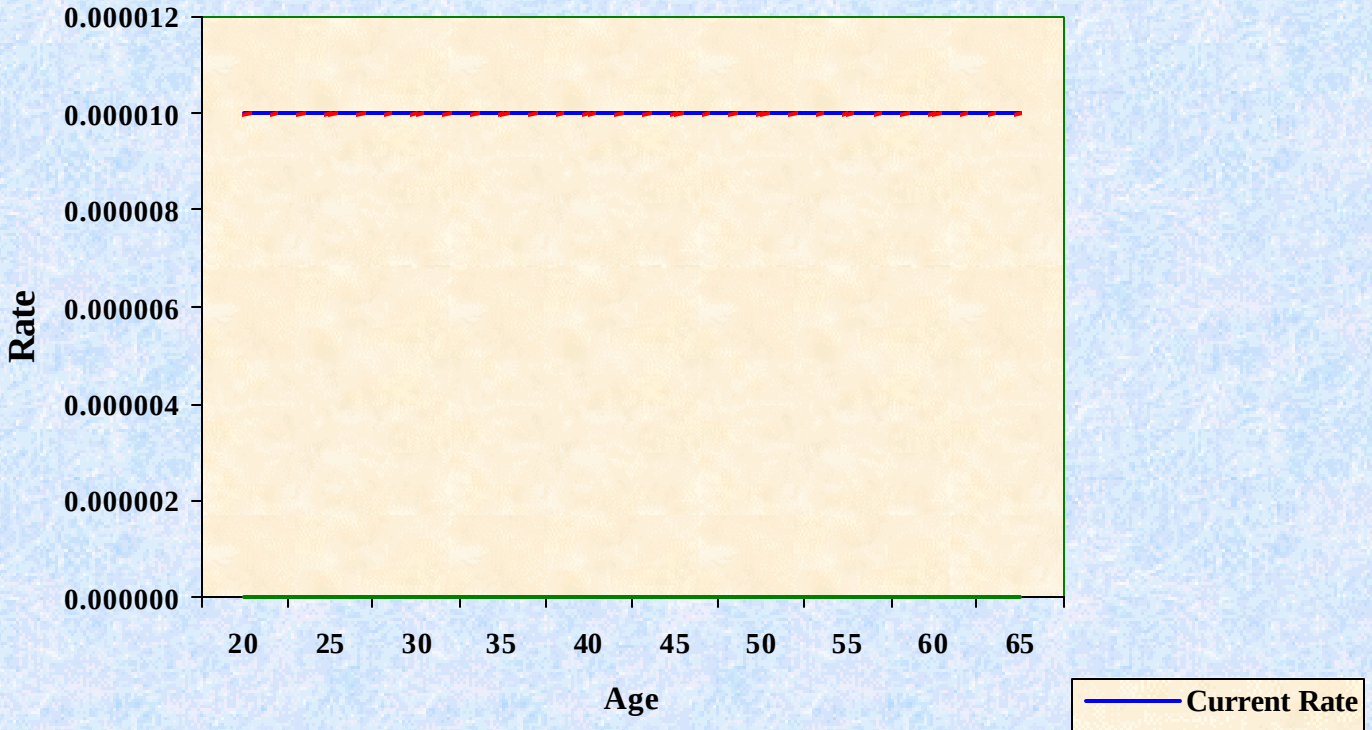


Public Employees' Retirement System of New Jersey

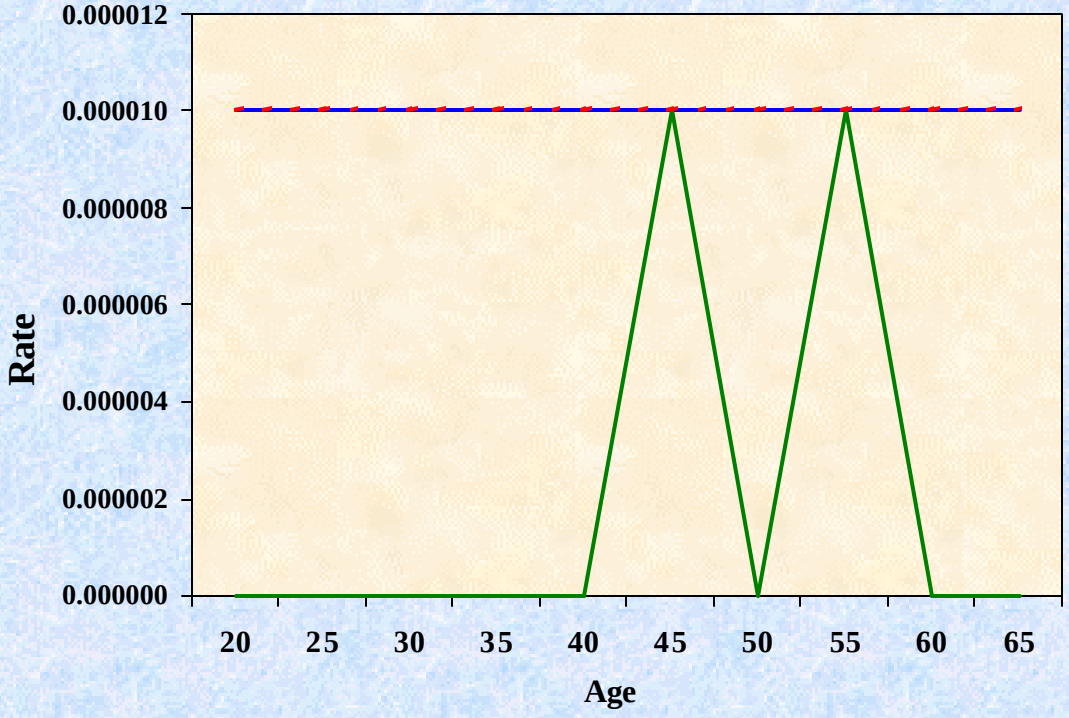
Accidental Death - Active Members

July 1, 2002 through June 30, 2005

State Employees



Employees of Local Employers

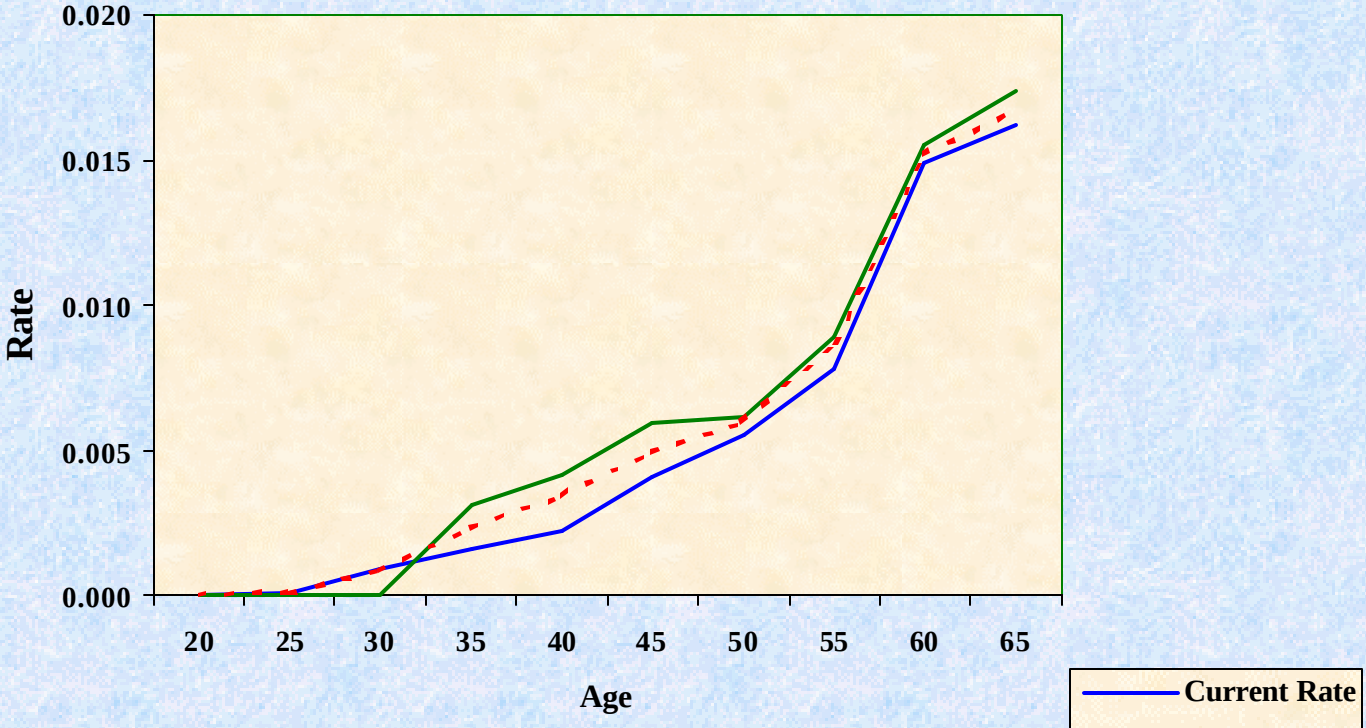


Public Employees' Retirement System of New Jersey

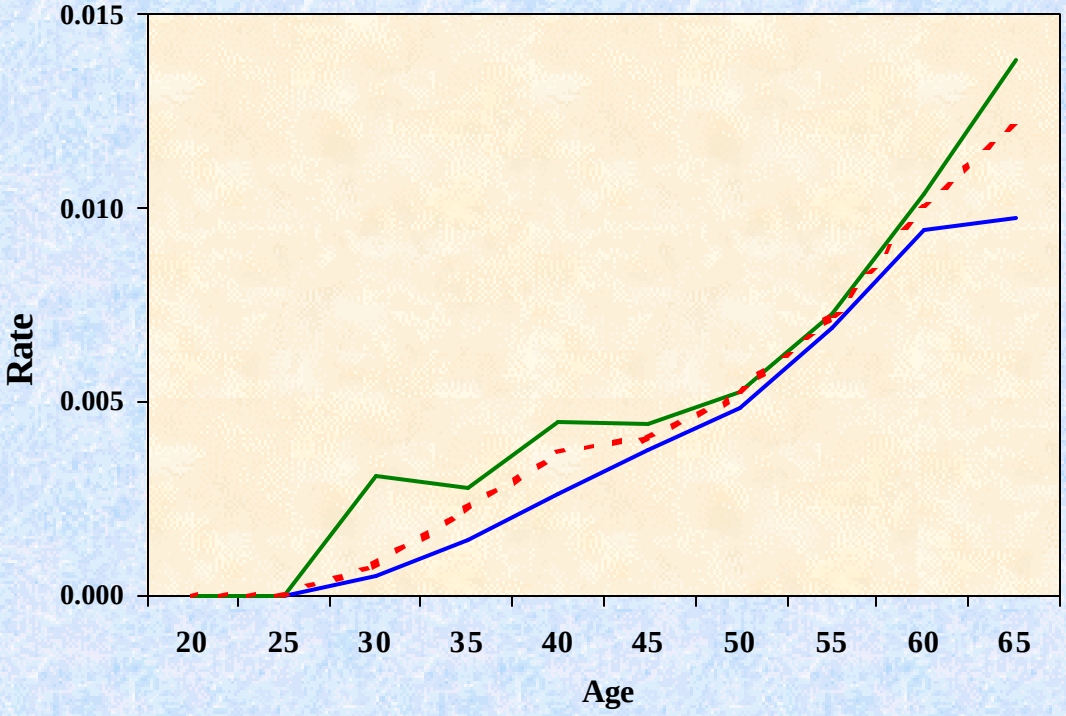
Ordinary Disability Retirement

July 1, 2002 through June 30, 2005

State Employees



Employees of Local Employers

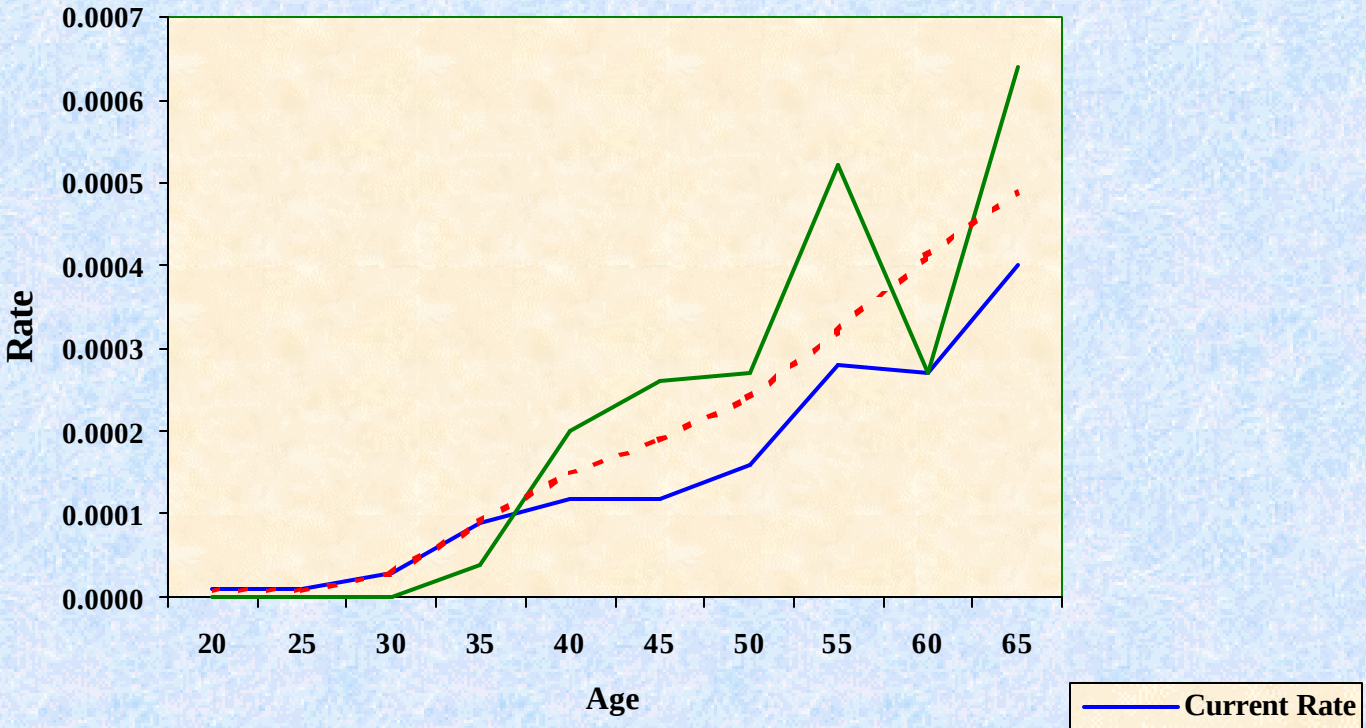


Public Employees' Retirement System of New Jersey

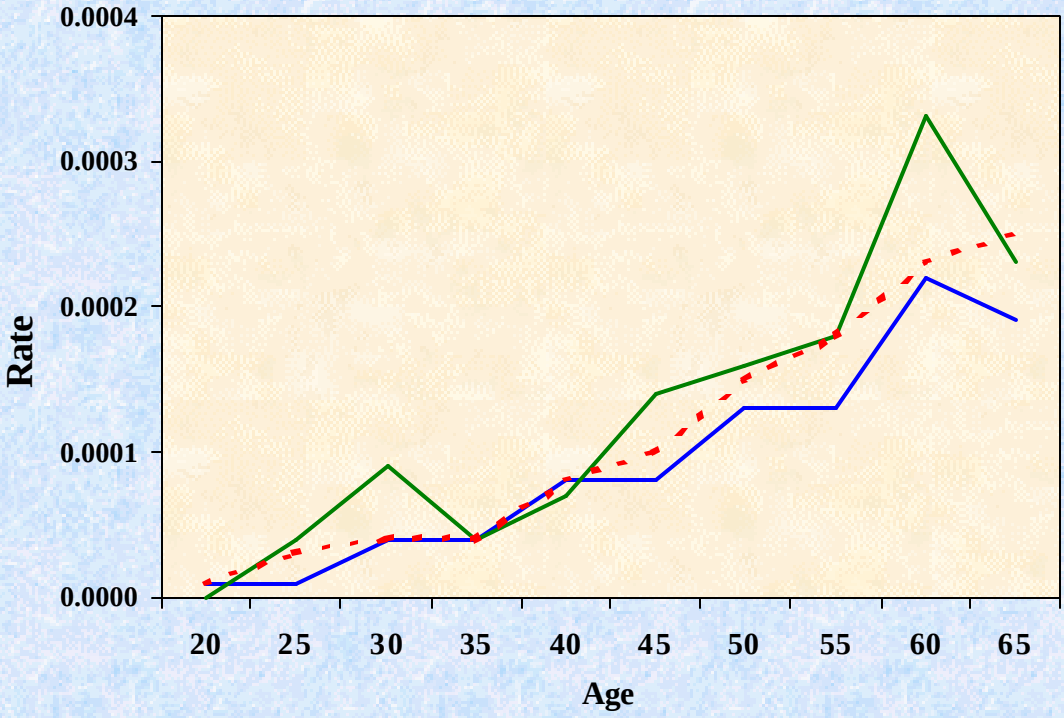
Accidental Disability Retirement

July 1, 2002 through June 30, 2005

State Employees



Employees of Local Employers



RATES OF DEFERRED VESTED, EARLY AND SERVICE RETIREMENT

The Retirement System provides, upon withdrawal after 10 years of service, a deferred retirement allowance commencing at age 60 and, upon withdrawal (or retirement) after 25 years of service, a retirement allowance commencing immediately. Upon retirement, after the attainment of age 60 or after 25 years of service and the attainment of age 55, the retirement allowance payable is unreduced. All such withdrawals and retirements have been considered with vesting and service retirements in the experience.

Tables 1 and 2 show that, overall, actual withdrawals with a deferred benefit or early retirements with a reduced benefit entitlement have been significantly lower than anticipated for both State and employees of local employers. This is consistent with the results of the previous study and a reflection of the current economic environment. Our recommendation is for a significant decrease in the rates that are currently being used.

With respect to service retirements, the experience during the traditional retirement ages of 55 through 69 indicates that actual retirements were considerably less than those expected both among State employees and employees of local employer groups. This is inconsistent with the prior study and could be due, in part, to the special Early Retirement Incentive (ERI) programs that were previously offered to eligible members. The ERI programs had a direct effect on this study since some of the retirements expected during the past three years actually occurred during the window period. While we excluded the members who elected to retire under the ERI programs from this study, it is possible that some of

the members would have retired even if the ERI programs had not been offered. We are not making a recommendation as to possible rate changes at this time since the actual experience during this examination period is not indicative of the experience that can be expected in the future after the effect of the ERI programs wear off.

CHAPTER 366, P.L. 2001 – PROSECUTORS PART RATES OF SERVICE RETIREMENT

Chapter 366, P.L. 2001 provides benefits similar to those of the Police and Firemen's Retirement System (PFRS) to prosecutor members of the System who are not eligible for enrollment in PFRS. The original costs for Chapter 366 were based primarily on PERS assumptions determined in the June 30, 2002 experience study, except for retirements with 20 to 24 years of service which were based on PFRS rates developed in the June 30, 2001 experience study. As part of this experience study, we have analyzed the retirement pattern of prosecutor members.

Tables 1 and 2 show that, overall, actual retirements for State and local employer members who retire after age 54 with less than 20 years of service are in line with expected. The same trend holds true for members retiring with 20 years of service. Therefore, we recommend no changes to either of these rates.

Table 1 shows that the experience for State employed individuals retiring with 21 to 24 years of service is in line with expected and no change to the rates is recommended. Table 2, on the other hand, shows that there were 7 local members who actually retired when no one was expected to retire. However,

when compared to the 214 total number of local members exposed to these rates, the 3% incidence is still within the acceptable range. Therefore, we recommend no changes to these rates at this time.

With respect to the retirement experience for State and local members with more than 24 years of service, Tables 1 and 2 indicate that there are considerably more members retiring than expected. Therefore, at this time, we recommend increasing the retirement rates used for members retiring with more than 24 years of service.

CHAPTER 259, P.L. 2001 – WORKERS COMPENSATION JUDGES

RATES OF SERVICE RETIREMENT

Chapter 259, P.L. 2001 provides benefits similar to those of the Judicial Retirement System (JRS) to members of the System who are employed by the State as Workers Compensation Judges. Costs attributable to these JRS-type benefits are currently based on the demographic assumptions used for the System. However, since the legislation provides substantial benefit differences during service retirement eligibility, we have analyzed the retirement pattern of Workers Compensation Judges.

Table 1 shows that actual retirement of vested members prior to age 60 are in line with expected. We recommend no changes to these rates.

With respect to the retirement experience for members who have attained age 60, actual retirements were less than expected. However, due to the small number of members exposed to these rates we are

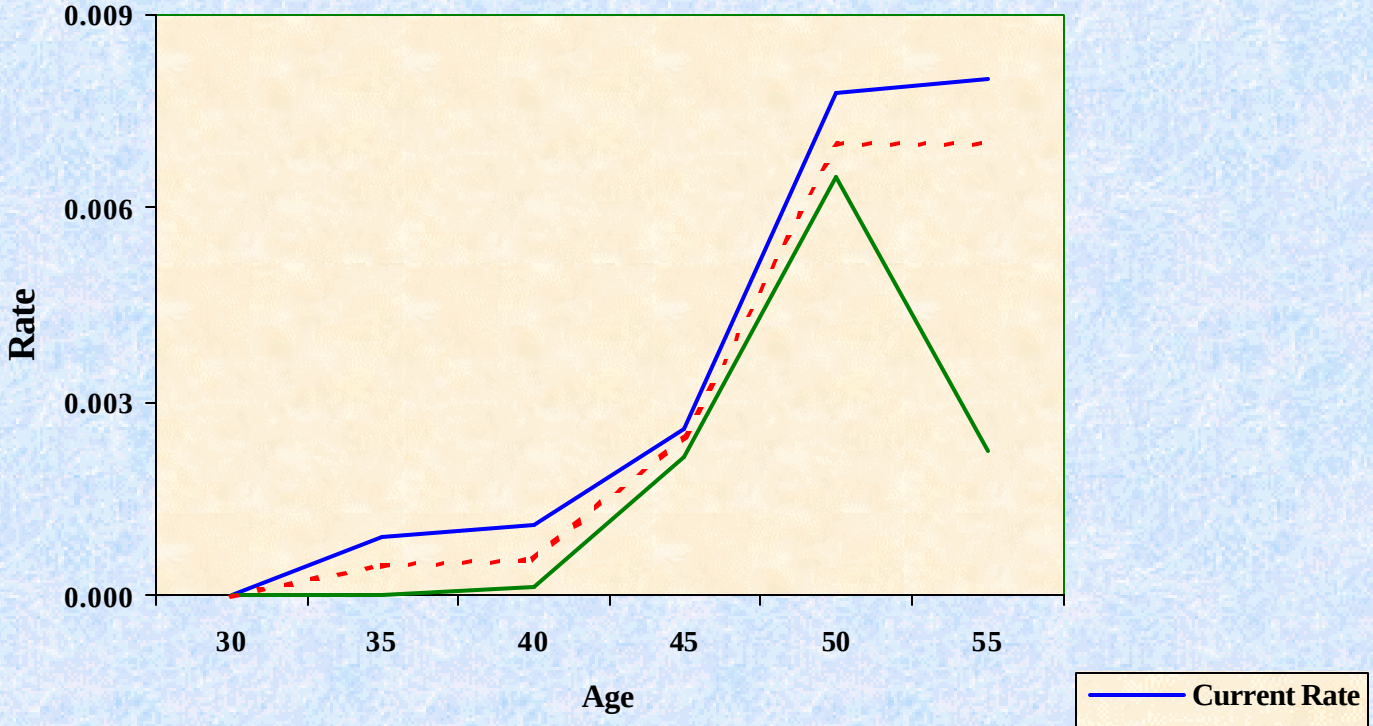
reluctant to recommend any changes to these rates at this time. We recommend to continue using the current retirement rates until more data is gathered. This assumption will be carefully monitored and reviewed in the next study.

The graphs on pages 36 and 37 show the current, actual and proposed retirement rates for deferred vested, early and service retirement. The graphs on pages 38 through 42 show the current, actual and proposed service retirement rates for Prosecutors and Workers Compensation Judges.

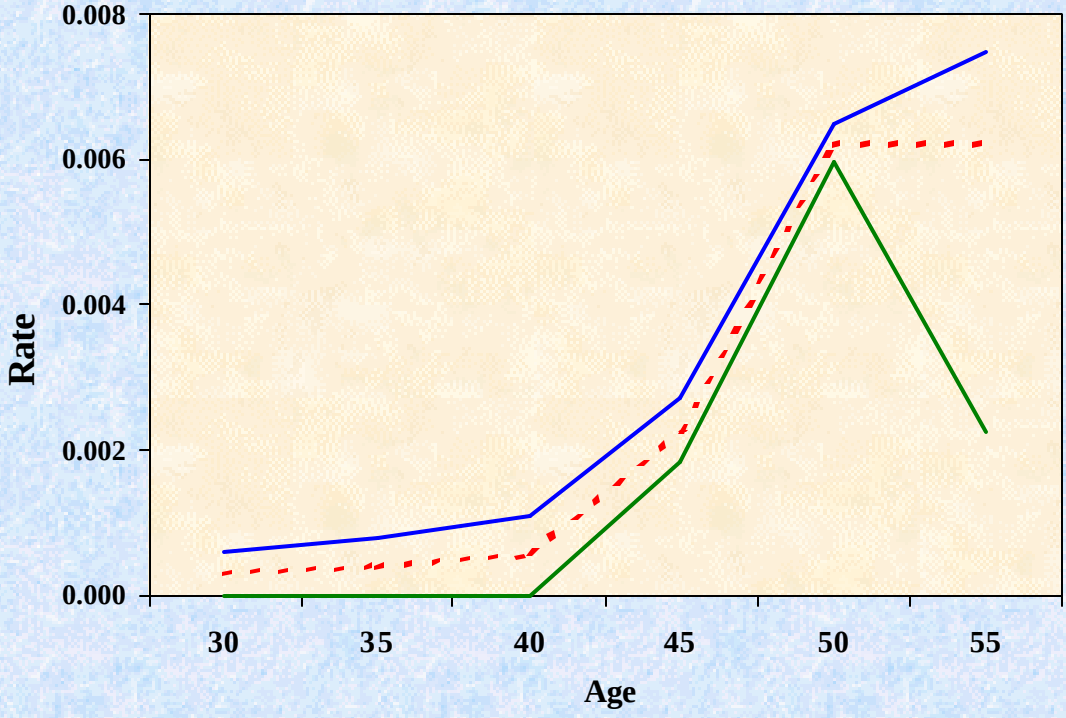
Public Employees' Retirement System of New Jersey

Deferred Vested and Early Retirement
July 1, 2002 through June 30, 2005

State Employees



Employees of Local Employers

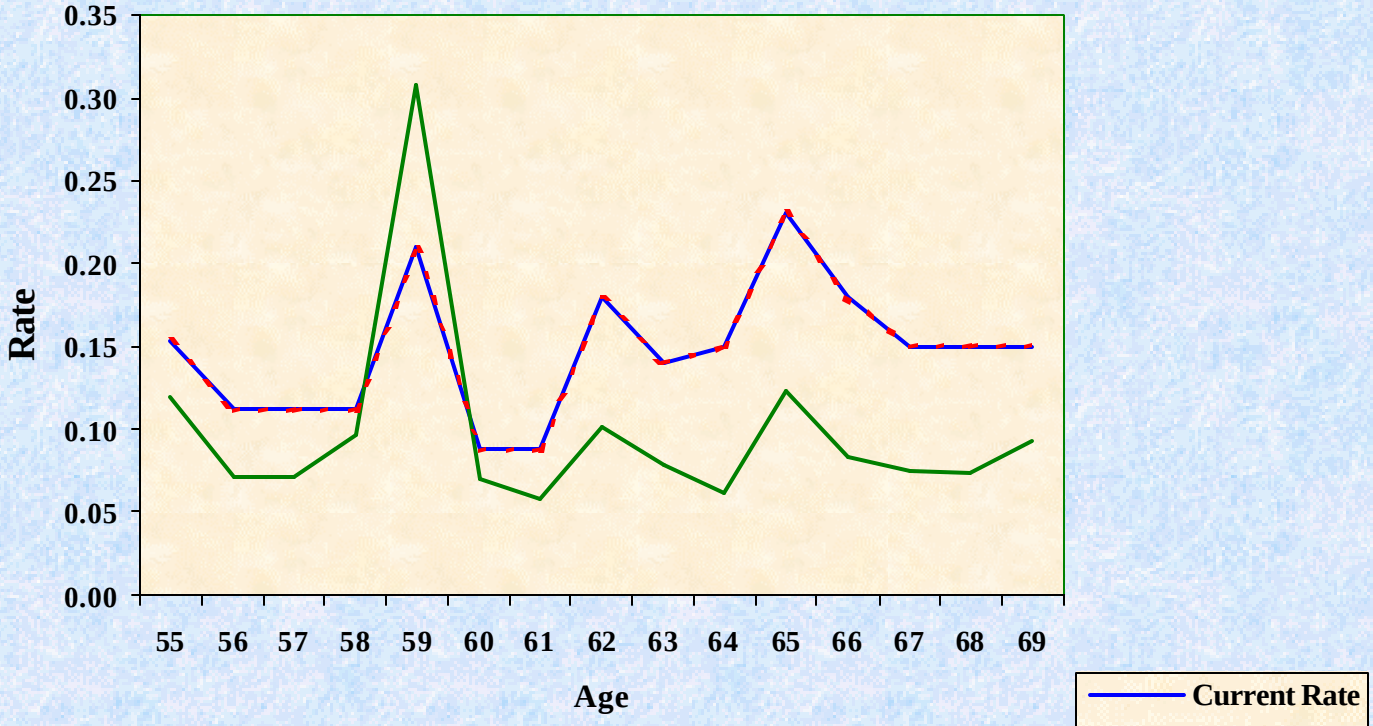


Public Employees' Retirement System of New Jersey

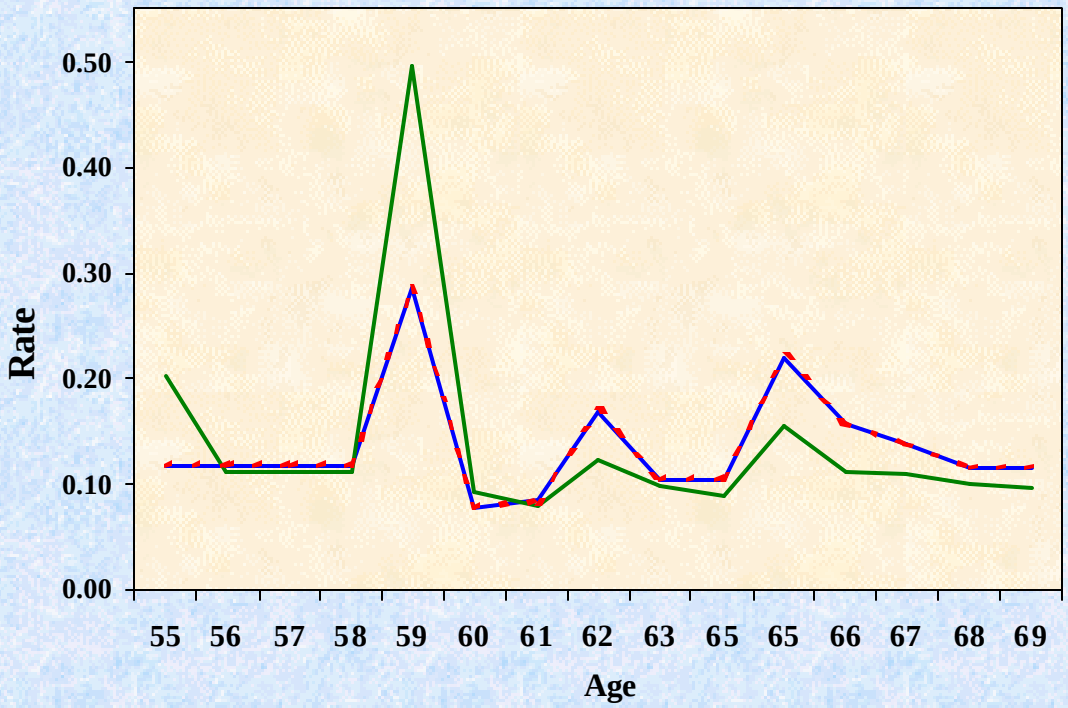
Service Retirement

July 1, 2002 through June 30, 2005

State Employees



Employees of Local Employers

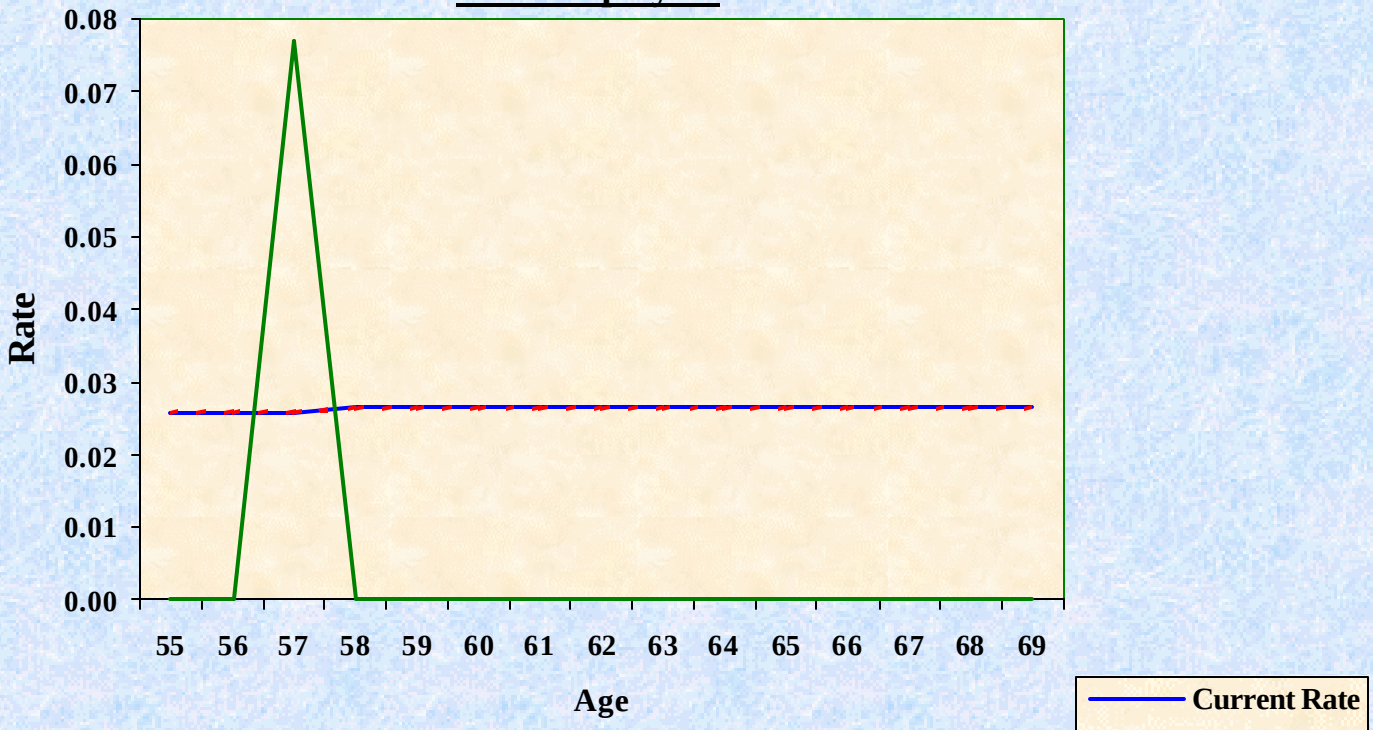


Public Employees' Retirement System of New Jersey

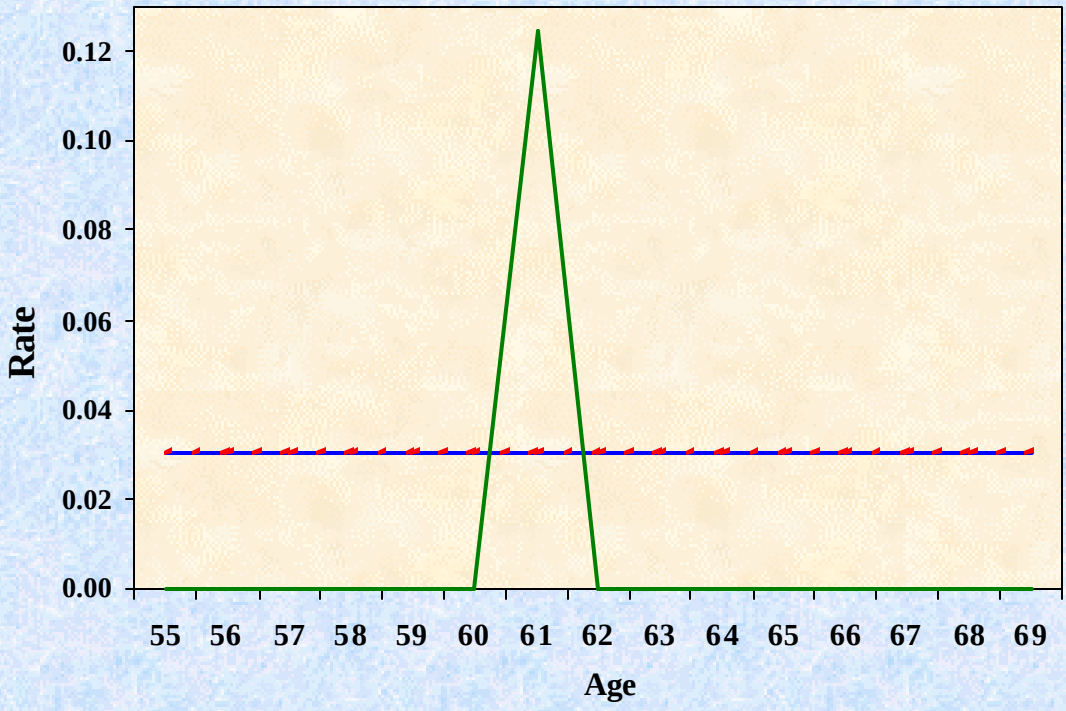
Prosecutors Part Rates of Service Retirement
Age 55 with Less than 20 Years of Service

July 1, 2002 through June 30, 2005

State Employees



Employees of Local Employers

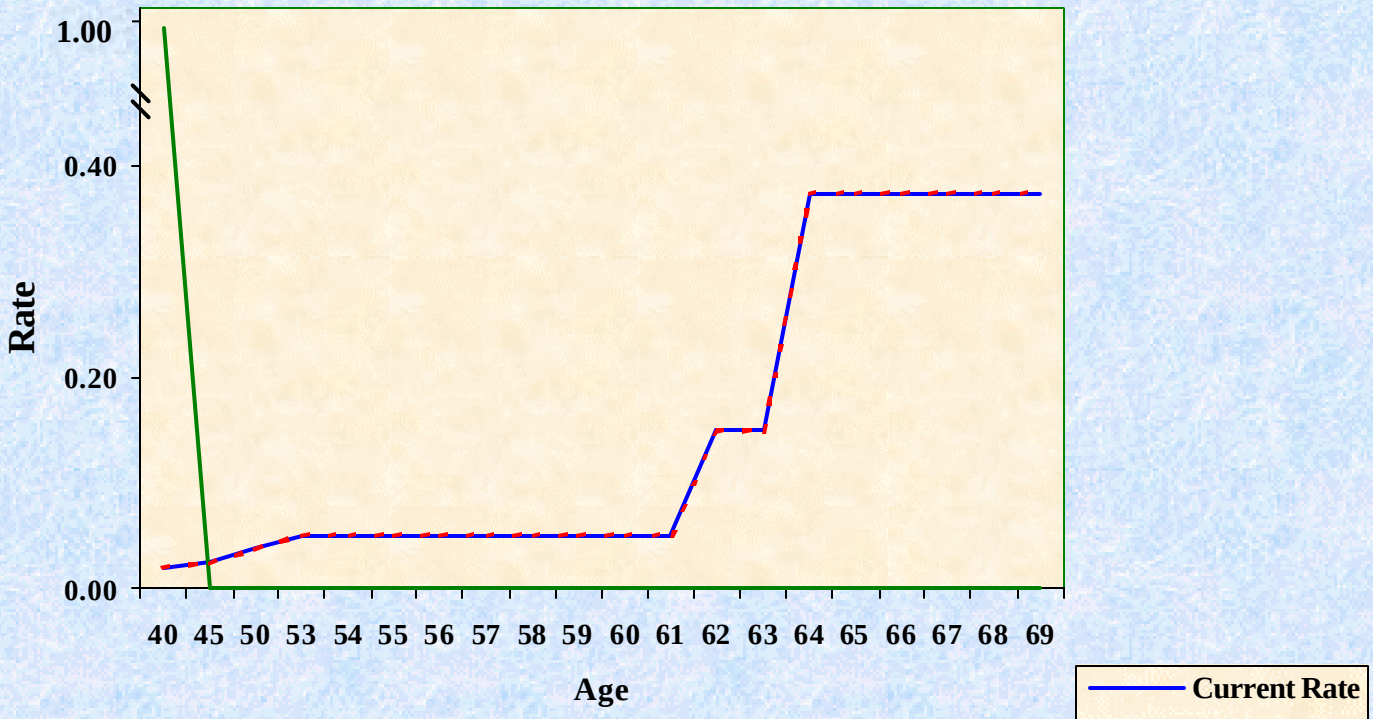


Public Employees' Retirement System of New Jersey

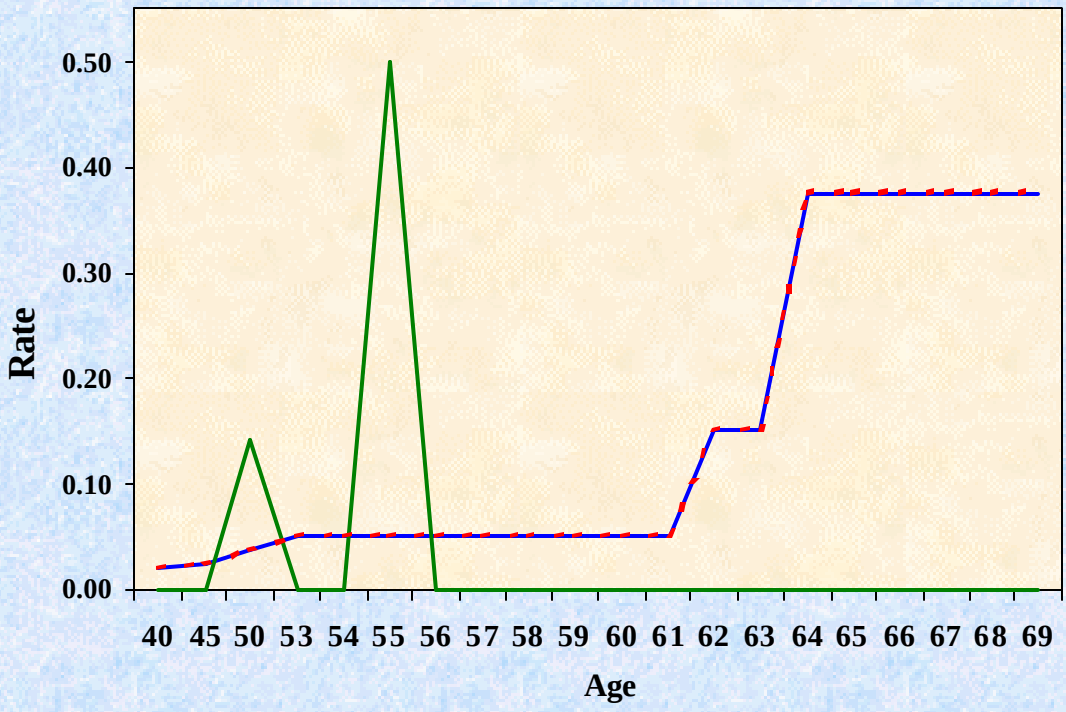
Prosecutors Part Rates of Service Retirement With 20 Years of Service

July 1, 2002 through June 30, 2005

State Employees



Employees of Local Employers

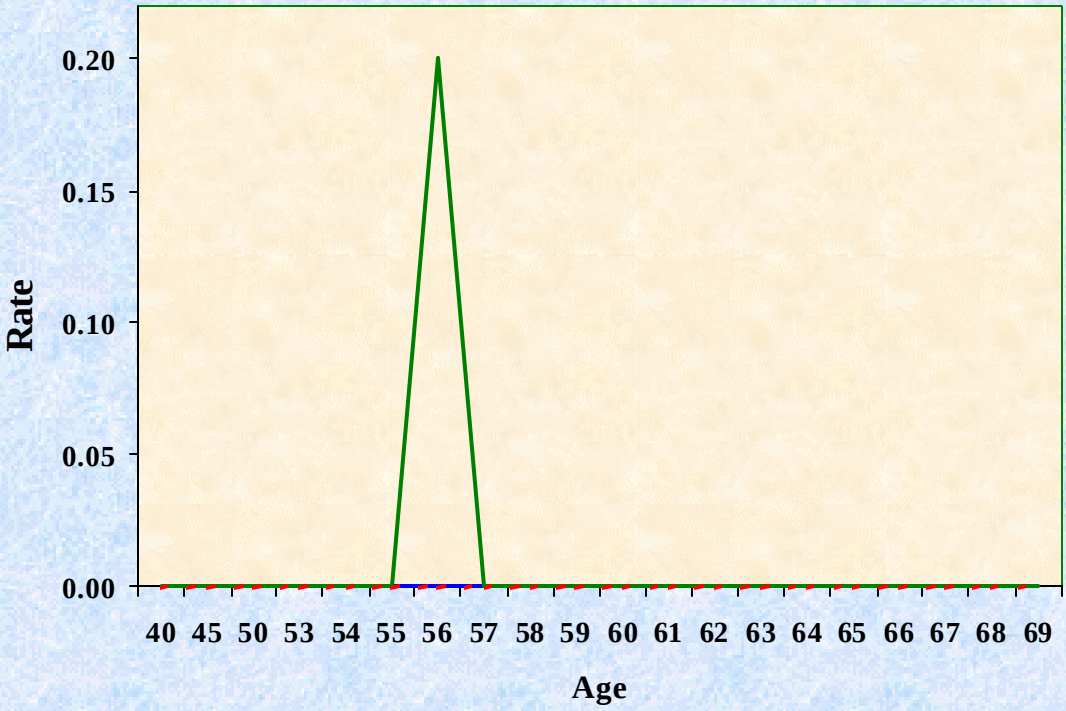


Public Employees' Retirement System of New Jersey

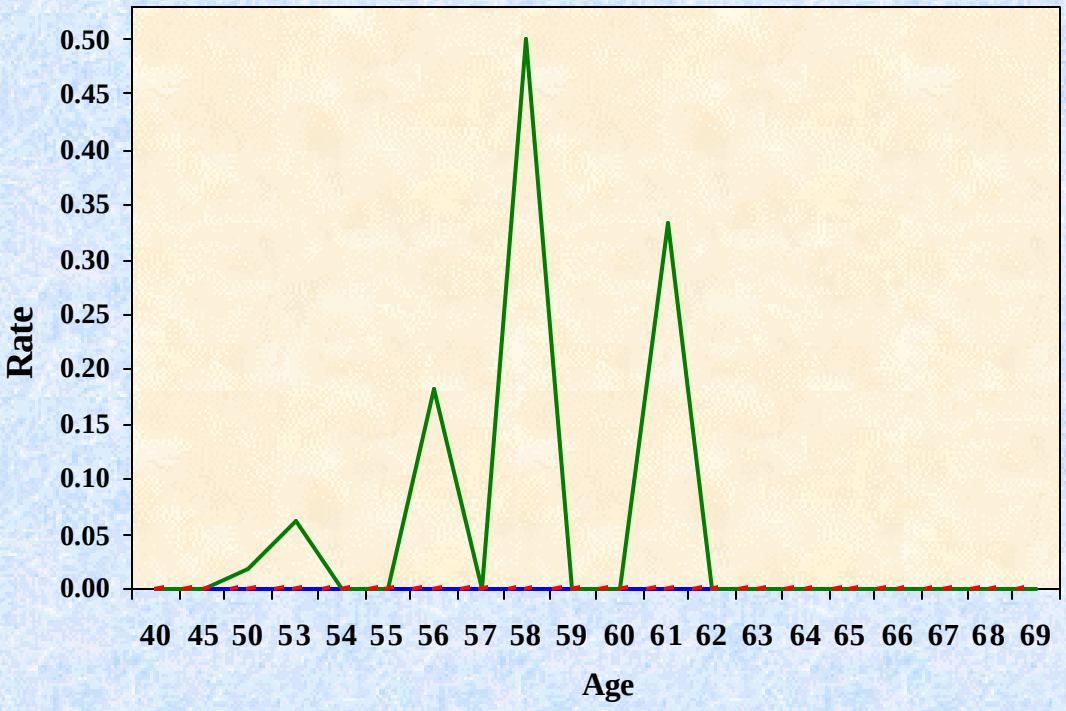
Prosecutors Part Rates of Service Retirement With 21 to 24 Years of Service

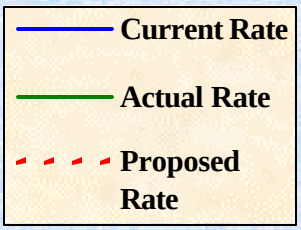
July 1, 2002 through June 30, 2005

State Employees



Employees of Local Employers



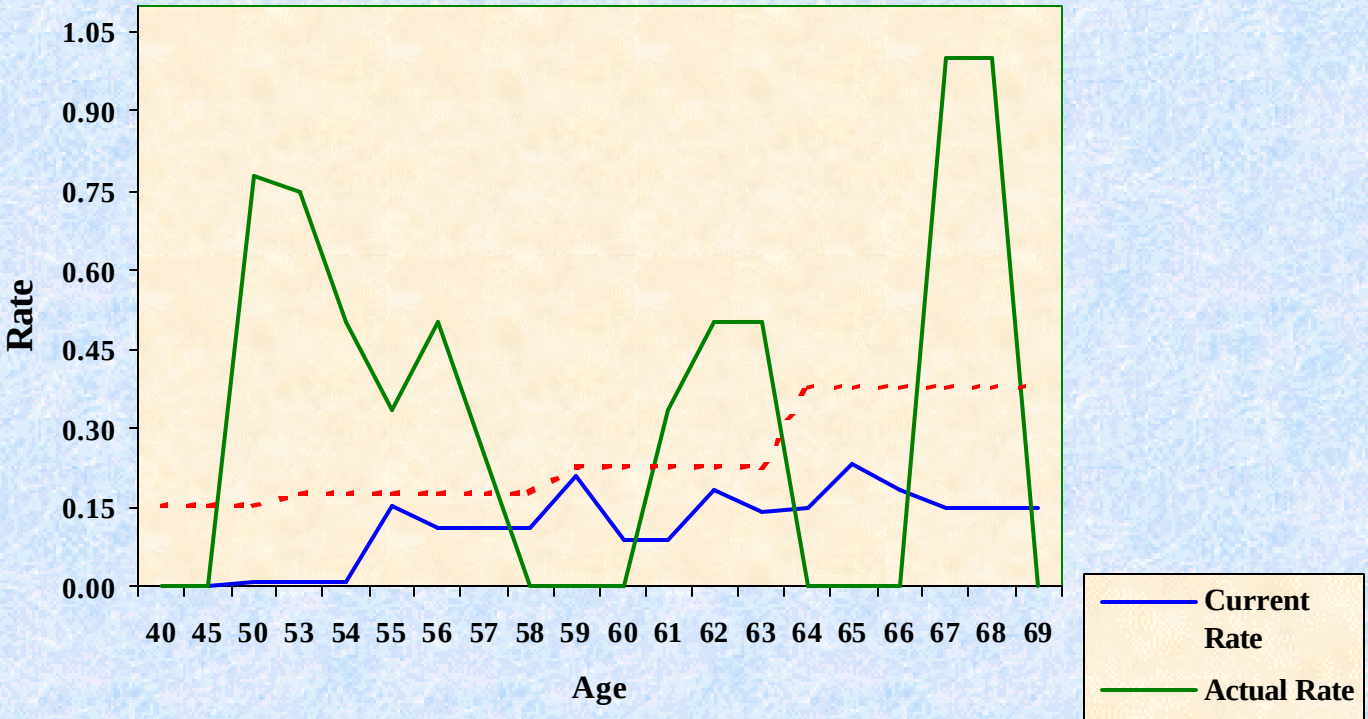


Public Employees' Retirement System of New Jersey

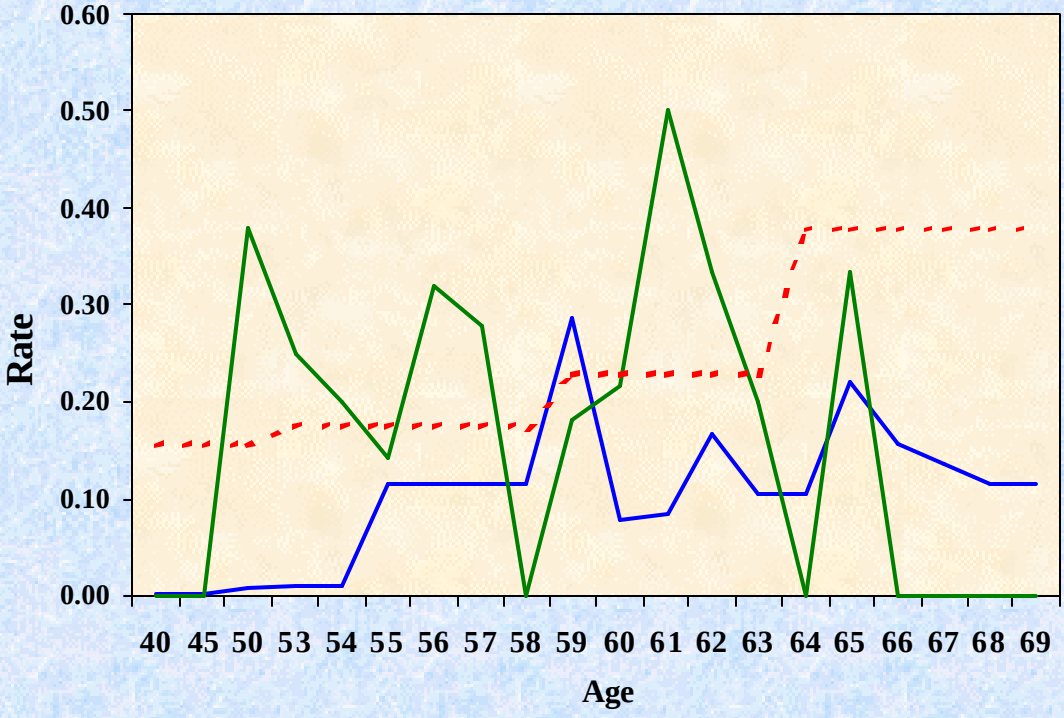
Prosecutors Part Rates of Service Retirement With More Than 24 Years of Service

July 1, 2002 through June 30, 2005

State Employees



Employees of Local Employers

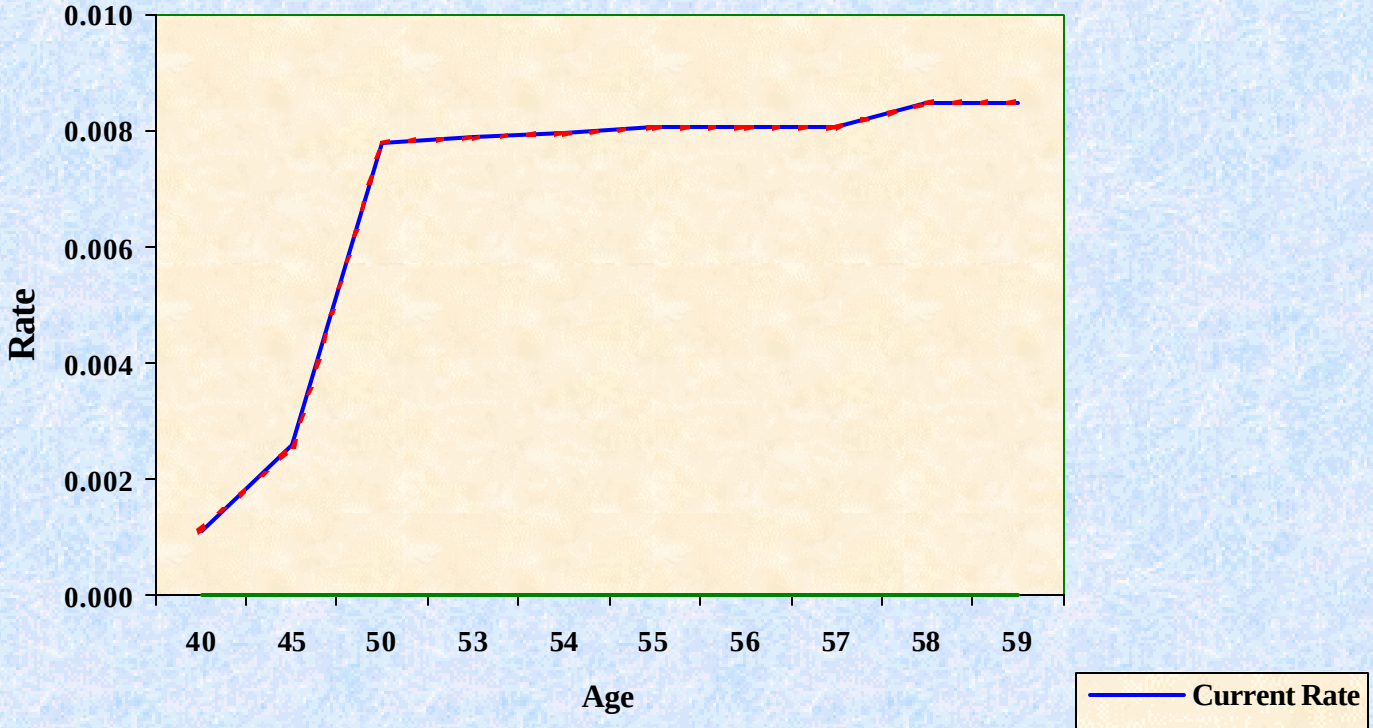


Public Employees' Retirement System of New Jersey

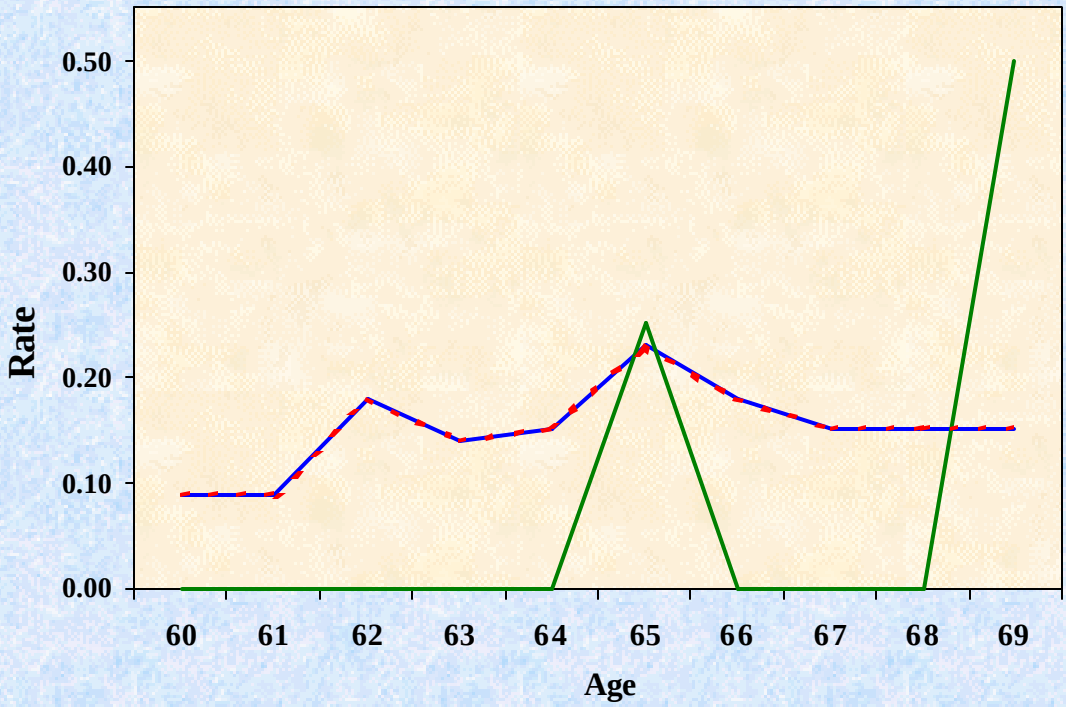
Workers Compensation Judges

July 1, 2002 through June 30, 2005

Deferred Vested and Early Retirement



Service Retirement



RATES OF SALARY INCREASE

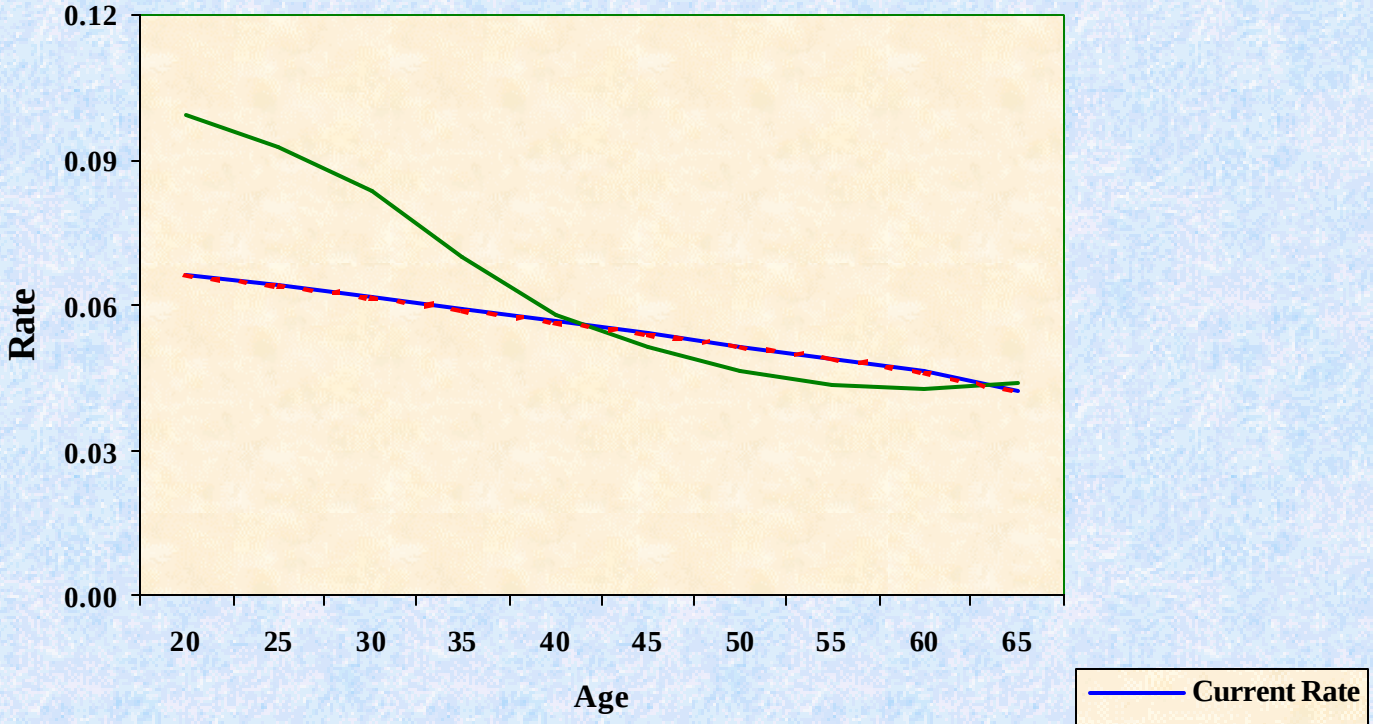
Tables 3 and 4 indicate that actual salary increases during the past three years were in line with the expected salary increases. Therefore, no change is recommended to the rates of salary increases at this time. The graph on page 44 shows the expected salary increases and the actual salary increases.

Public Employees' Retirement System of New Jersey

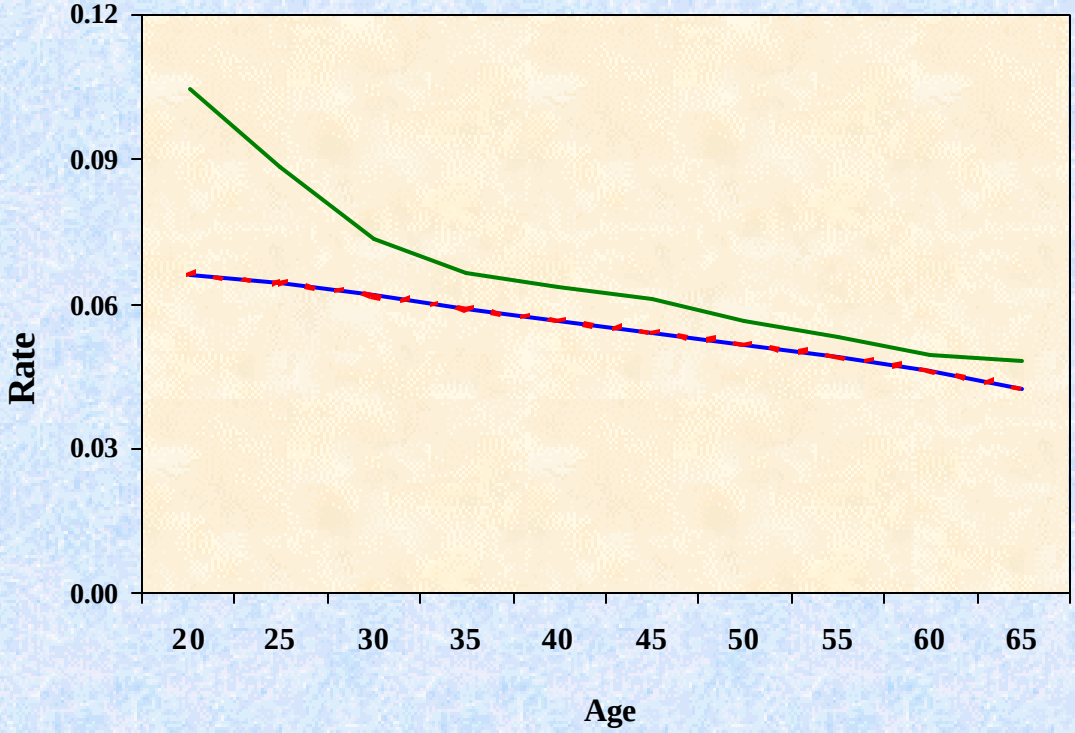
Salary Increases

July 1, 2002 through June 30, 2005

State Employees



Employees of Local Employers



RATES OF MORTALITY AMONG BENEFICIARIES

Tables 5 and 6 summarize the mortality experience with respect to members retired on account of service and disability and with respect to dependent beneficiaries in receipt of benefits. The experience varies by age and category. The overall actual experience indicates that the life expectancy for males and females of both State and local service retirees is significantly longer than what is anticipated by the present tables. Since this trend can be expected to continue, we recommend updating the rates to use recently published mortality tables.

The actual number of deaths for males and females on account of disability indicates that younger State and local retirees are living longer. Since this trend can be expected to continue, we recommend a decrease in the mortality rates for ages prior to age 65 for both male and female disabled pensioners.

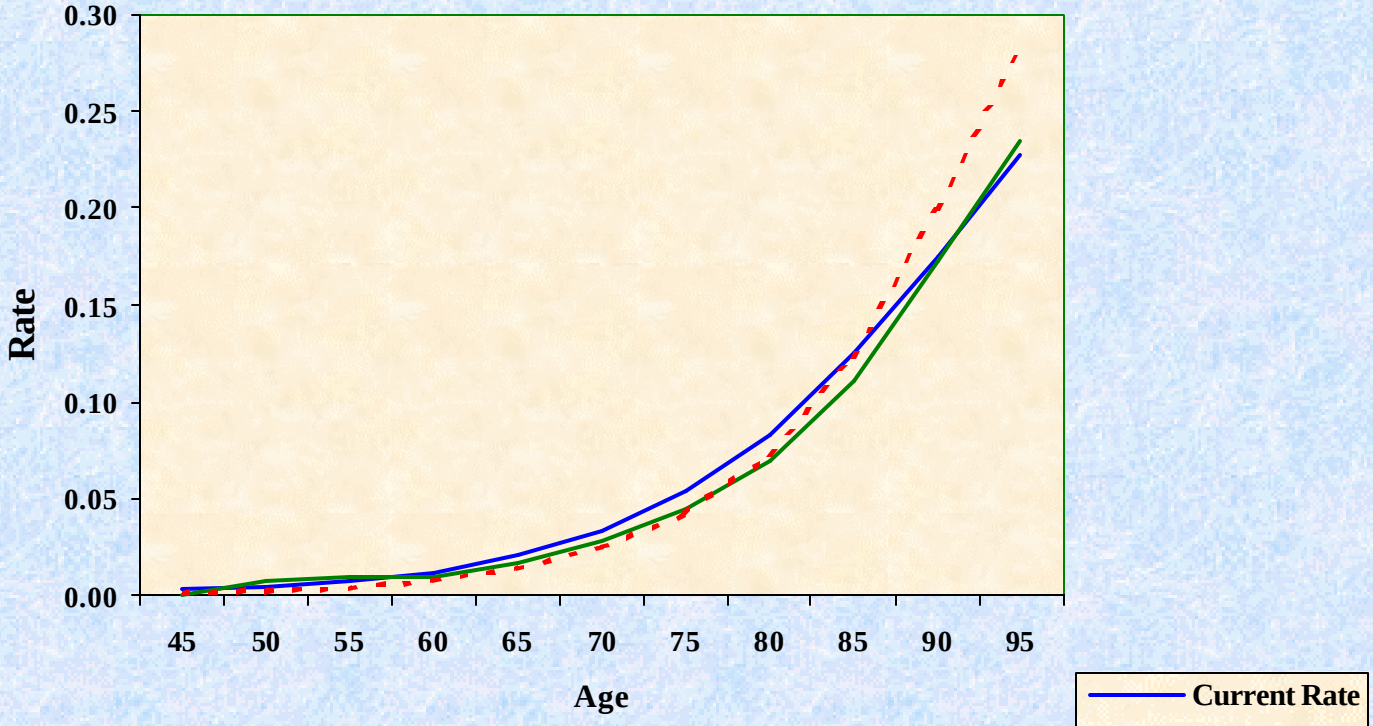
The actual number of deaths for male and female dependents of deceased pensioners and beneficiaries in receipt of active death benefits are within acceptable limits of that expected and no change in the mortality assumptions is recommended at this time.

The following graphs show the current rates, the actual rates and the proposed rates of mortality for the System's beneficiaries.

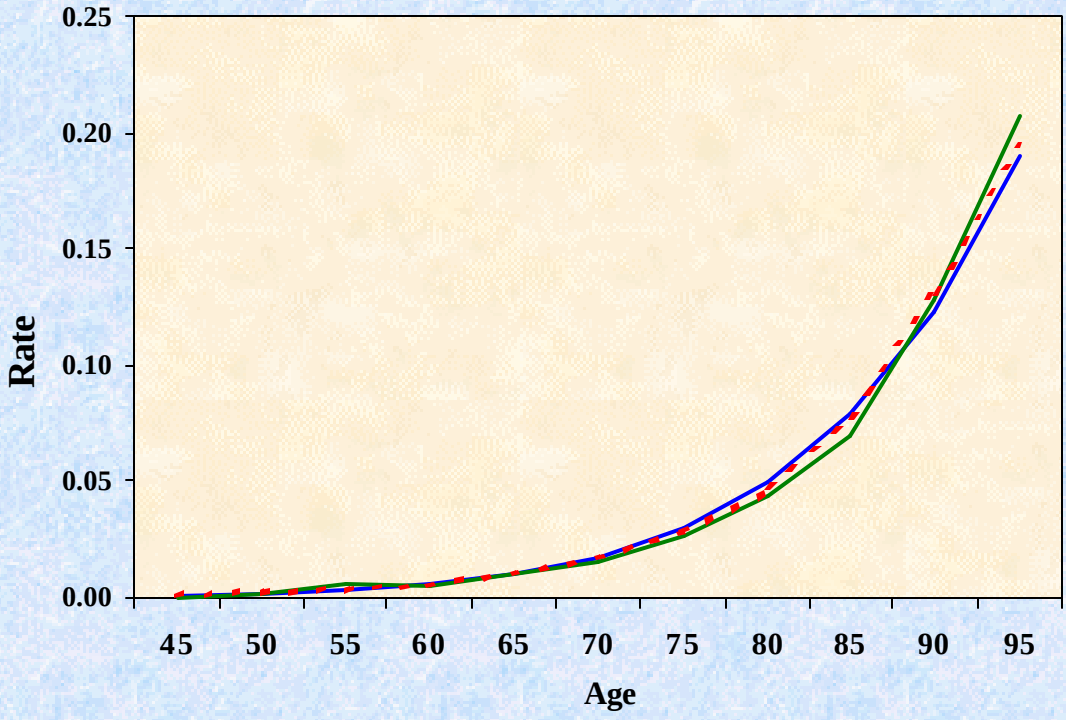
Public Employees' Retirement System of New Jersey

Rates of Mortality for Retired Members on Account of Service
July 1, 2002 through June 30, 2005

Male



Female

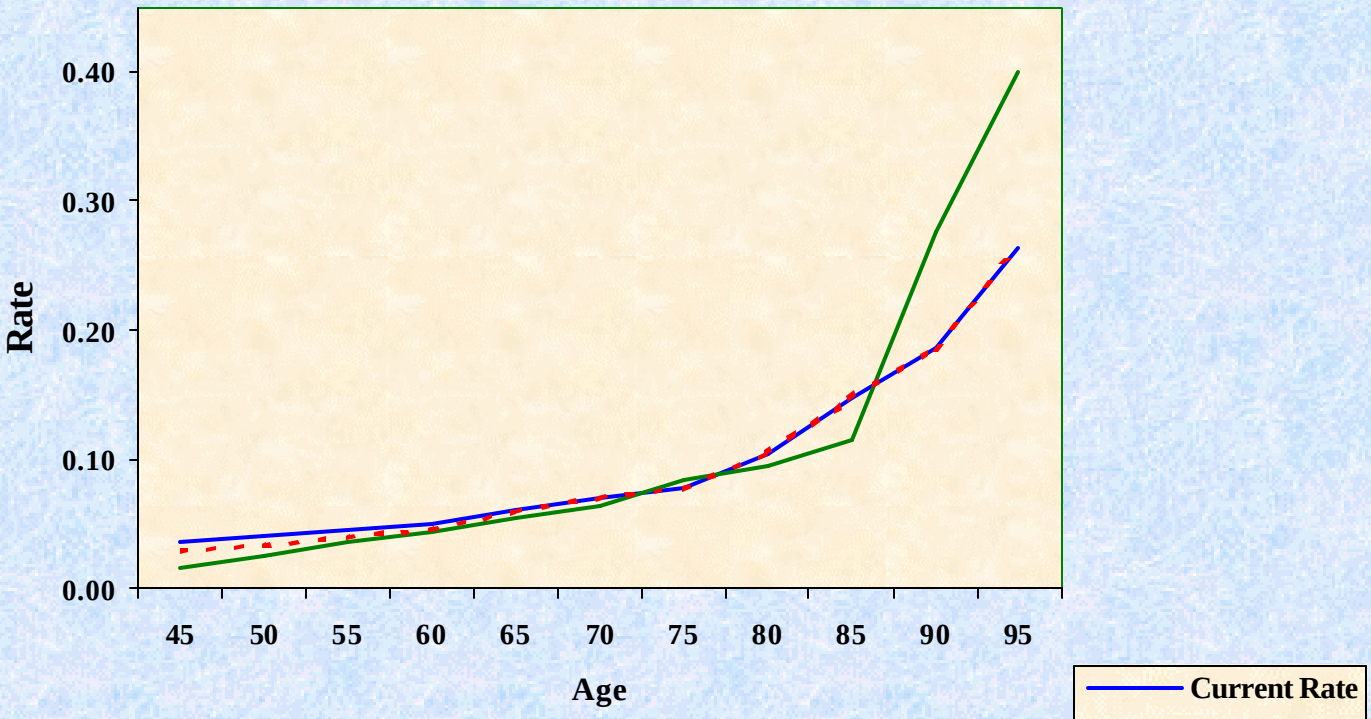


Public Employees' Retirement System of New Jersey

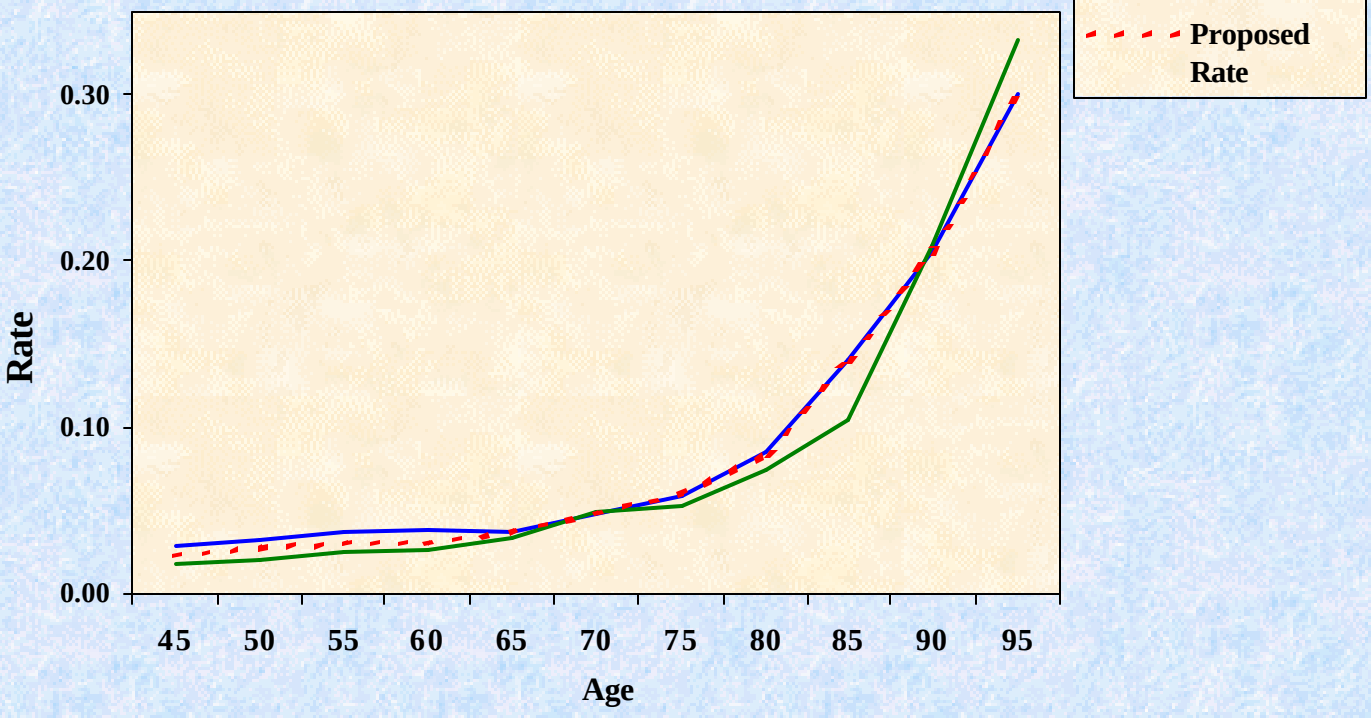
Rates of Mortality for Retired Members on Account of Disability

July 1, 2002 through June 30, 2005

Male



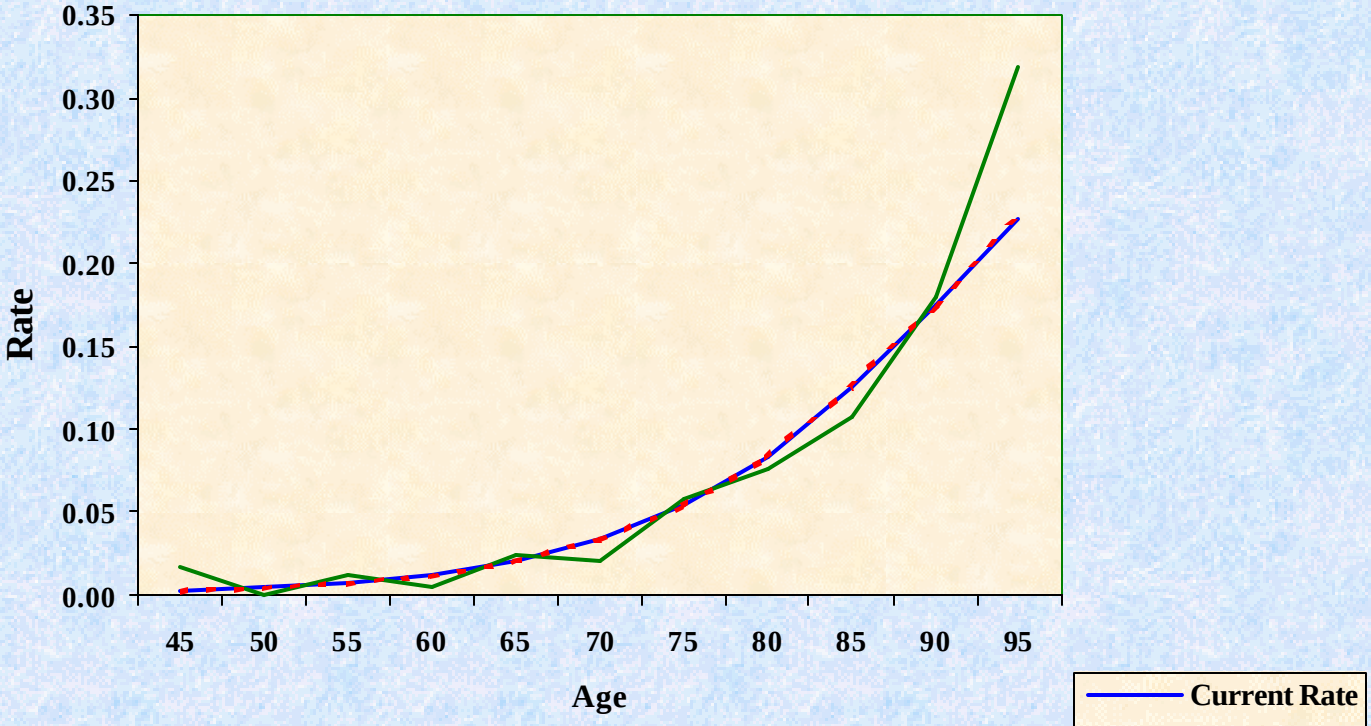
Female



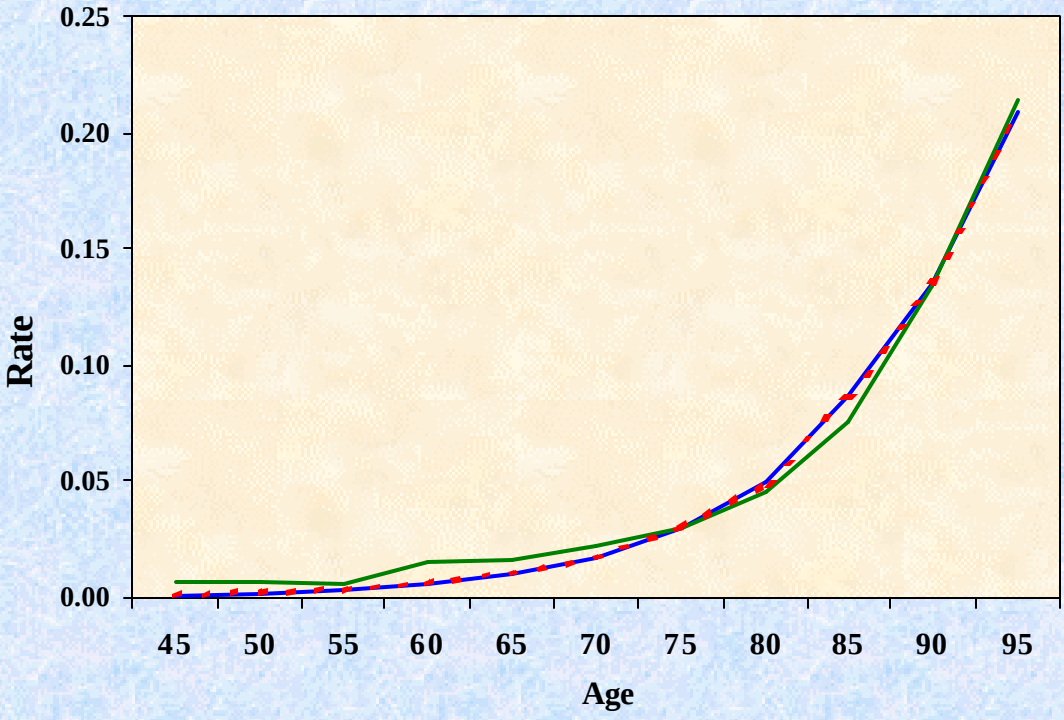
Public Employees' Retirement System of New Jersey

Rates of Mortality for Beneficiaries of Deceased Members
July 1, 2002 through June 30, 2005

Male



Female



INTEREST RATE ASSUMPTION (DISCOUNT RATE)

As part of the actuarial investigation of the System, the interest rate assumption is analyzed in relation to the current underlying economic conditions.

The interest rate assumption includes two components, inflation and the real rate of return. The following analysis examines each of these components.

Inflation

There are various guides which may be considered when analyzing the inflation component. One well known published index is the U.S. Consumer Price Index (CPI-W). The following chart summarizes the changes in the U.S. Consumer Price Index since January 1, 2002:

CALENDAR YEAR	INCREASE
2002	1.4%
2003	2.2%
2004	2.6%
2005	3.5%

Although this chart indicates a relatively low trend in the CPI Rate level on a short term basis, the increases for the longer period 1980-2005 are equivalent to an annual rate of about 3.8%. Therefore an inflation assumption in the range of 3.0% to 4.0% appears reasonable in the long term.

Real Interest Rate

The real rate of return on investments (total rate less the inflation component) is sensitive to the investment strategy adopted by the Division of Investments. For informational purposes, the estimated total rates of return earned by the System, based on both the market and actuarial values of the assets, over the past three years are shown below:

NJ-PERS
HISTORICAL NOMINAL AND REAL RATE OF RETURN

YEAR ENDING	ESTIMATED RATE OF RETURN		COST OF LIVING INCREASE*	THEORETICAL REAL RATE OF RETURN		CUMULATIVE (ANNUAL)	
	Market Basis	Actuarial Basis		Market Basis	Actuarial Basis	Market Basis	Actuarial Basis
6/30/2005	8.57%	3.91%	2.59%	5.83%	1.29%	5.65%	0.49%
6/30/2004	13.48%	2.16%	3.17%	9.99%	(0.98)%	5.56%	0.10%
6/30/2003	3.44%	3.31%	2.10%	1.31%	1.19%	1.31%	1.19%

*Based on the ratio of the CPI as of each year's ending date to the prior year amounts.

The following table summarizes certain information derived from the 2005 Ibbotson study of returns on various asset classes. This study is one of the most widely quoted reference works on investment rates of return and uses the period 1926-2005 for source material. The arithmetic and geometric mean rates of return over this period, as well as their associated standard deviations (which measure the expected spread around the arithmetic mean), were computed both in total and in real terms. The figures presented below are in real terms, i.e., net of inflation:

HISTORICAL REAL RATES OF RETURN*
FOR VARIOUS TYPES OF INVESTMENTS

TYPE OF INVESTMENT	ARITHMETIC MEAN	STANDARD DEVIATION	GEOMETRIC MEAN
Common Stocks - Large Cap	9.1%	20.3%	7.1%
Common Stocks - Small Cap	13.9%	32.3%	9.3%
Long-term Government Bonds	2.9%	10.4%	2.4%
Long-term Corporate Bonds	3.2%	9.7%	2.8%
U.S. Treasury Bills	0.7%	4.0%	0.7%

*Derived from Ibbotson study for period 1926-2005.

The geometric mean represents the constant annual rate of return which, when earned over the same period, would have produced the same overall results at the end of the period. It is, therefore, the one to consider when attempting to predict the level rate of return for the future.

The real interest rate should be assumed to lie somewhere between 2.4% (the expected real rate on long-term risk-less securities) and 7.2% (the expected real rate on common stocks), depending upon the expected portfolio mix in the System's investment policy.

Based on the System's asset allocation and expected real returns, the real interest rate should range between 5.25% and 5.50%. The following table shows the asset allocation and expected real returns for various asset classes:

	ASSET ALLOCATION	REAL RETURN
Bonds*	24.6%	2.6%
Stocks – Large Cap	62.1%	7.1%
– Small Cap	4.0%	9.3%
Mortgages	0.4%	3.2%
Cash	8.9%	0.7%
Average	100.0%	5.5%

*Analysis assumes that the bond component is split evenly between Government and Corporate bonds.

The above real rate coupled with the inflation assumption of 3.0% to 4.0% discussed previously would produce a nominal interest rate of 8.7% to 9.7%. This technical analysis supports the continued use of the current interest rate of 8.25%.

IV. PROPOSED NEW ASSUMPTIONS

The experience investigation for the period from July 1, 2002 to June 30, 2005 indicates the need for certain changes in the active service tables and the mortality tables for retired members and dependent beneficiaries. The proposed changes are summarized as follows:

Rates	Proposed Changes State	Local
Active Service Tables		
• Withdrawal prior to eligibility for a benefit during first three years of employment	Decrease	Decrease
• Withdrawal after the first three years of employment (Ultimate withdrawal)	*	*
• Ordinary death	Decrease	Decrease
• Accidental death	No Change	No Change
• Ordinary disability	Increase	Increase
• Accidental disability	Increase	Increase
• Deferred vested and early retirement	Decrease	Decrease
• Service retirement	No Change	No Change
• Chapter 366, P.L. 2001		
◦ Age 55 with less than 20 years of service	No Change	No Change
◦ With 20 years of service	No Change	No Change
◦ With 21 to 24 years of service	No Change	No Change
◦ With more than 24 years of service	Increase	Increase
• Chapter 259, P.L. 2001		
◦ Deferred vested and early retirement	No Change	N/A
◦ Service retirement	No Change	N/A
• Salary increase	No Change	No Change

Rates	Proposed Changes Male	Female
Mortality Tables		
• Retired members on account of service	**	**
• Retired members on account of disability	Decrease	Decrease
• Beneficiaries of members	No Change	No Change

* The proposed change is a decrease in rates after age 35 for both the State and local rates.
** The proposed change is to adopt the RP-2000 Combined Healthy mortality tables for male and female retired members with the Male mortality table set forward 1 year.

The following tables give a comparison of the present, actual and proposed average rates of separation from active service and average rates of mortality for retirement members at quinquennial ages.

TABLE 7

RATES OF SEPARATION FROM ACTIVE SERVICE OF STATE EMPLOYEES

AGE	PRESENT RATES	ACTUAL RATES	PROPOSED RATES
Select Rates of Withdrawal Before Eligibility For a Benefit			
20	0.1775	0.0781	0.1592
25	0.1802	0.1298	0.1592
30	0.1676	0.1464	0.1592
35	0.1369	0.1035	0.1234
40	0.1234	0.0836	0.0987
45	0.1147	0.0718	0.0918
50	0.1063	0.0665	0.0850
55	0.1533	0.0745	0.1226
Ultimate Rates of Withdrawal			
20	0.0850	0.0633	0.0850
25	0.0800	0.0644	0.0800
30	0.0550	0.0580	0.0550
35	0.0350	0.0310	0.0350
40	0.0240	0.0175	0.0192
45	0.0180	0.0121	0.0144
50	0.0140	0.0098	0.0112
55	0.0140	0.0114	0.0126

TABLE 7

RATES OF SEPARATION FROM ACTIVE SERVICE OF STATE EMPLOYEES

(continued)

AGE	PRESENT RATES	ACTUAL RATES	PROPOSED RATES
Ordinary Death			
20	0.0005	0.0010	0.0005
25	0.0005	0.0002	0.0005
30	0.0007	0.0004	0.0006
35	0.0009	0.0007	0.0008
40	0.0012	0.0006	0.0011
45	0.0017	0.0013	0.0016
50	0.0026	0.0018	0.0024
55	0.0039	0.0032	0.0035
60	0.0053	0.0045	0.0049
65	0.0074	0.0064	0.0068
Accidental Death			
20	0.00001	0.00000	0.00001
25	0.00001	0.00000	0.00001
30	0.00001	0.00000	0.00001
35	0.00001	0.00000	0.00001
40	0.00001	0.00000	0.00001
45	0.00001	0.00000	0.00001
50	0.00001	0.00000	0.00001
55	0.00001	0.00000	0.00001
60	0.00001	0.00000	0.00001
65	0.00001	0.00000	0.00001

TABLE 7

RATES OF SEPARATION FROM ACTIVE SERVICE OF STATE EMPLOYEES

(continued)

AGE	PRESENT RATES	ACTUAL RATES	PROPOSED RATES
Ordinary Disability			
20	0.00005	0.00000	0.00005
25	0.00008	0.00000	0.00008
30	0.00090	0.00000	0.00090
35	0.00160	0.00309	0.00234
40	0.00225	0.00415	0.00347
45	0.00410	0.00599	0.00500
50	0.00550	0.00616	0.00598
55	0.00780	0.00890	0.00874
60	0.01490	0.01549	0.01520
65	0.01620	0.01740	0.01670
Accidental Disability			
20	0.00001	0.00000	0.00001
25	0.00001	0.00000	0.00001
30	0.00003	0.00000	0.00003
35	0.00009	0.00004	0.00009
40	0.00012	0.00020	0.00015
45	0.00012	0.00026	0.00019
50	0.00016	0.00027	0.00024
55	0.00028	0.00052	0.00032
60	0.00027	0.00027	0.00041
65	0.00040	0.00064	0.00049

TABLE 7

RATES OF SEPARATION FROM ACTIVE SERVICE OF STATE EMPLOYEES

(continued)

AGE	PRESENT RATES	ACTUAL RATES	PROPOSED RATES
Withdrawal after Eligibility for a Benefit (Deferred Vested and Early Retirement)			
30	0.0000	0.0000	0.0000
35	0.0009	0.0000	0.0005
40	0.0011	0.0002	0.0006
45	0.0026	0.0021	0.0025
50	0.0078	0.0065	0.0070
55	0.0080	0.0022	0.0070
Service Retirement			
55	0.1540	0.1202	0.1540
56	0.1120	0.0711	0.1120
57	0.1120	0.0711	0.1120
58	0.1120	0.0959	0.1120
59	0.2100	0.3079	0.2100
60	0.0880	0.0696	0.0880
61	0.0880	0.0588	0.0880
62	0.1800	0.1016	0.1800
63	0.1400	0.0785	0.1400
64	0.1500	0.0618	0.1500
65	0.2310	0.1232	0.2310
66	0.1800	0.0835	0.1800
67	0.1500	0.0752	0.1500
68	0.1500	0.0731	0.1500
69	0.1500	0.0929	0.1500

TABLE 7

RATES OF SEPARATION FROM ACTIVE SERVICE
OF STATE EMPLOYEES
(continued)

CHAPTER 366, P.L. 2001 – PROSECUTORS PART

AGE	Age 55 with Less Than 20 Years of Service			With 20 Years of Service		
	PRESENT RATES	ACTUAL RATES	PROPOSED RATES	PRESENT RATES	ACTUAL RATES	PROPOSED RATES
40				0.0200	1.0000	0.0200
45				0.0250	0.0000	0.0250
50				0.0375	0.0000	0.0375
53				0.0500	0.0000	0.0500
54				0.0500	0.0000	0.0500
55	0.0259	0.0000	0.0259	0.0500	0.0000	0.0500
56	0.0259	0.0000	0.0259	0.0500	0.0000	0.0500
57	0.0259	0.0769	0.0259	0.0500	0.0000	0.0500
58	0.0263	0.0000	0.0263	0.0500	0.0000	0.0500
59	0.0263	0.0000	0.0263	0.0500	0.0000	0.0500
60	0.0263	0.0000	0.0263	0.0500	0.0000	0.0500
61	0.0263	0.0000	0.0263	0.0500	0.0000	0.0500
62	0.0263	0.0000	0.0263	0.1500	0.0000	0.1500
63	0.0263	0.0000	0.0263	0.1500	0.0000	0.1500
64	0.0263	0.0000	0.0263	0.3750	0.0000	0.3750
65	0.0263	0.0000	0.0263	0.3750	0.0000	0.3750
66	0.0263	0.0000	0.0263	0.3750	0.0000	0.3750
67	0.0263	0.0000	0.0263	0.3750	0.0000	0.3750
68	0.0263	0.0000	0.0263	0.3750	0.0000	0.3750
69	0.0263	0.0000	0.0263	0.3750	0.0000	0.3750

TABLE 7

RATES OF SEPARATION FROM ACTIVE SERVICE
OF STATE EMPLOYEES
(continued)

CHAPTER 366, P.L. 2001 – PROSECUTORS PART

AGE	With 21 to 24 Years of Service			With More than 24 Years of Service		
	PRESENT RATES	ACTUAL RATES	PROPOSED RATES	PRESENT RATES	ACTUAL RATES	PROPOSED RATES
40	0.0000	0.0000	0.0000	0.0013	0.0000	0.1540
45	0.0000	0.0000	0.0000	0.0027	0.0000	0.1540
50	0.0000	0.0000	0.0000	0.0078	0.7778	0.1540
53	0.0000	0.0000	0.0000	0.0084	0.7500	0.1748
54	0.0000	0.0000	0.0000	0.0085	0.5000	0.1748
55	0.0000	0.0000	0.0000	0.1540	0.3333	0.1748
56	0.0000	0.2000	0.0000	0.1120	0.5000	0.1748
57	0.0000	0.0000	0.0000	0.1120	0.2500	0.1748
58	0.0000	0.0000	0.0000	0.1120	0.0000	0.1748
59	0.0000	0.0000	0.0000	0.2100	0.0000	0.2278
60	0.0000	0.0000	0.0000	0.0880	0.0000	0.2278
61	0.0000	0.0000	0.0000	0.0880	0.3333	0.2278
62	0.0000	0.0000	0.0000	0.1800	0.5000	0.2278
63	0.0000	0.0000	0.0000	0.1400	0.5000	0.2278
64	0.0000	0.0000	0.0000	0.1500	0.0000	0.3780
65	0.0000	0.0000	0.0000	0.2310	0.0000	0.3780
66	0.0000	0.0000	0.0000	0.1800	0.0000	0.3780
67	0.0000	0.0000	0.0000	0.1500	1.0000	0.3780
68	0.0000	0.0000	0.0000	0.1500	1.0000	0.3780
69	0.0000	0.0000	0.0000	0.1500	0.0000	0.3780

TABLE 7

RATES OF SEPARATION FROM ACTIVE SERVICE
OF STATE EMPLOYEES
(continued)

CHAPTER 259, P.L. 2001 – WORKERS COMPENSATION JUDGES

AGE	PRESENT RATES	ACTUAL RATES	PROPOSED RATES
Deferred Vested and Early Retirement			
40	0.0011	0.0000	0.0011
45	0.0026	0.0000	0.0026
50	0.0078	0.0000	0.0078
53	0.0079	0.0000	0.0079
54	0.0080	0.0000	0.0080
55	0.0081	0.0000	0.0081
56	0.0081	0.0000	0.0081
57	0.0081	0.0000	0.0081
58	0.0085	0.0000	0.0085
59	0.0085	0.0000	0.0085
Service Retirement			
60	0.0880	0.0000	0.0880
61	0.0880	0.0000	0.0880
62	0.1800	0.0000	0.1800
63	0.1400	0.0000	0.1400
64	0.1500	0.0000	0.1500
65	0.2310	0.2500	0.2310
66	0.1800	0.0000	0.1800
67	0.1500	0.0000	0.1500
68	0.1500	0.0000	0.1500
69	0.1500	0.5000	0.1500

TABLE 8

RATES OF SEPARATION FROM ACTIVE SERVICE
EMPLOYEES OF LOCAL EMPLOYERS

AGE	PRESENT RATES	ACTUAL RATES	PROPOSED RATES
Select Rates of Withdrawal Before Eligibility For a Benefit			
20	0.1872	0.1137	0.1779
25	0.1873	0.1701	0.1779
30	0.1629	0.1487	0.1548
35	0.1395	0.1161	0.1255
40	0.1301	0.0967	0.1171
45	0.1244	0.0954	0.1119
50	0.1186	0.0927	0.1067
55	0.1160	0.0846	0.1044
Ultimate Rates of Withdrawal			
20	0.1000	0.0954	0.1000
25	0.0990	0.1003	0.0990
30	0.0750	0.0727	0.0750
35	0.0412	0.0430	0.0412
40	0.0343	0.0303	0.0326
45	0.0300	0.0252	0.0285
50	0.0235	0.0201	0.0223
55	0.0191	0.0188	0.0182

TABLE 8

RATES OF SEPARATION FROM ACTIVE SERVICE
EMPLOYEES OF LOCAL EMPLOYERS

(continued)

AGE	PRESENT RATES	ACTUAL RATES	PROPOSED RATES
		Ordinary Death	
20	0.0004	0.0004	0.0004
25	0.0005	0.0003	0.0004
30	0.0006	0.0003	0.0005
35	0.0008	0.0006	0.0006
40	0.0012	0.0008	0.0009
45	0.0017	0.0013	0.0014
50	0.0028	0.0017	0.0022
55	0.0041	0.0029	0.0033
60	0.0061	0.0042	0.0048
65	0.0089	0.0054	0.0069
		Accidental Death	
20	0.00001	0.00000	0.00001
25	0.00001	0.00000	0.00001
30	0.00001	0.00000	0.00001
35	0.00001	0.00000	0.00001
40	0.00001	0.00000	0.00001
45	0.00001	0.00001	0.00001
50	0.00001	0.00000	0.00001
55	0.00001	0.00001	0.00001
60	0.00001	0.00000	0.00001
65	0.00001	0.00000	0.00001

TABLE 8

RATES OF SEPARATION FROM ACTIVE SERVICE
EMPLOYEES OF LOCAL EMPLOYERS

(continued)

AGE	PRESENT RATES	ACTUAL RATES	PROPOSED RATES
		Ordinary Disability	
20	0.00000	0.00000	0.00000
25	0.00000	0.00000	0.00000
30	0.00047	0.00311	0.00081
35	0.00148	0.00276	0.00224
40	0.00260	0.00445	0.00370
45	0.00375	0.00439	0.00407
50	0.00485	0.00524	0.00522
55	0.00690	0.00728	0.00725
60	0.00945	0.01032	0.00995
65	0.00975	0.01378	0.01227
		Accidental Disability	
20	0.00001	0.00000	0.00001
25	0.00001	0.00004	0.00003
30	0.00004	0.00009	0.00004
35	0.00004	0.00004	0.00004
40	0.00008	0.00007	0.00008
45	0.00008	0.00014	0.00010
50	0.00013	0.00016	0.00015
55	0.00013	0.00018	0.00018
60	0.00021	0.00033	0.00023
65	0.00019	0.00023	0.00025

TABLE 8

RATES OF SEPARATION FROM ACTIVE SERVICE
EMPLOYEES OF LOCAL EMPLOYERS

(continued)

AGE	PRESENT RATES	ACTUAL RATES	PROPOSED RATES
Withdrawal after Eligibility for a Benefit (Deferred Vested and Early Retirement)			
30	0.0006	0.0000	0.0003
35	0.0008	0.0000	0.0004
40	0.0011	0.0000	0.0006
45	0.0027	0.0018	0.0023
50	0.0065	0.0060	0.0062
55	0.0075	0.0023	0.0062
Service Retirement			
55	0.1170	0.2024	0.1170
56	0.1170	0.1107	0.1170
57	0.1170	0.1103	0.1170
58	0.1170	0.1111	0.1170
59	0.2860	0.4947	0.2860
60	0.0780	0.0932	0.0780
61	0.0840	0.0804	0.0840
62	0.1680	0.1228	0.1680
63	0.1050	0.0986	0.1050
64	0.1050	0.0885	0.1050
65	0.2205	0.1563	0.2205
66	0.1575	0.1113	0.1575
67	0.1365	0.1076	0.1365
68	0.1155	0.0992	0.1155
69	0.1155	0.0959	0.1155

TABLE 8

RATES OF SEPARATION FROM ACTIVE SERVICE
OF LOCAL EMPLOYEES
(continued)

CHAPTER 366, P.L. 2001 – PROSECUTORS PART

AGE	Age 55 with Less Than 20 Years of Service			With 20 Years of Service		
	PRESENT RATES	ACTUAL RATES	PROPOSED RATES	PRESENT RATES	ACTUAL RATES	PROPOSED RATES
40				0.0200	0.0000	0.0200
45				0.0250	0.0000	0.0250
50				0.0375	0.1429	0.0375
53				0.0500	0.0000	0.0500
54				0.0500	0.0000	0.0500
55	0.0306	0.0000	0.0306	0.0500	0.5000	0.0500
56	0.0306	0.0000	0.0306	0.0500	0.0000	0.0500
57	0.0306	0.0000	0.0306	0.0500	0.0000	0.0500
58	0.0306	0.0000	0.0306	0.0500	0.0000	0.0500
59	0.0306	0.0000	0.0306	0.0500	0.0000	0.0500
60	0.0306	0.0000	0.0306	0.0500	0.0000	0.0500
61	0.0306	0.1250	0.0306	0.0500	0.0000	0.0500
62	0.0306	0.0000	0.0306	0.1500	0.0000	0.1500
63	0.0306	0.0000	0.0306	0.1500	0.0000	0.1500
64	0.0306	0.0000	0.0306	0.3750	0.0000	0.3750
65	0.0306	0.0000	0.0306	0.3750	0.0000	0.3750
66	0.0306	0.0000	0.0306	0.3750	0.0000	0.3750
67	0.0306	0.0000	0.0306	0.3750	0.0000	0.3750
68	0.0306	0.0000	0.0306	0.3750	0.0000	0.3750
69	0.0306	0.0000	0.0306	0.3750	0.0000	0.3750

TABLE 8

RATES OF SEPARATION FROM ACTIVE SERVICE
OF LOCAL EMPLOYEES
(continued)

CHAPTER 366, P.L. 2001 – PROSECUTORS PART

AGE	With 21 to 24 Years of Service			With More than 24 Years of Service		
	PRESENT RATES	ACTUAL RATES	PROPOSED RATES	PRESENT RATES	ACTUAL RATES	PROPOSED RATES
40	0.0000	0.0000	0.0000	0.0017	0.0000	0.1540
45	0.0000	0.0000	0.0000	0.0032	0.0000	0.1540
50	0.0000	0.1628	0.0000	0.0072	0.3810	0.1540
53	0.0000	0.0625	0.0000	0.0099	0.2500	0.1748
54	0.0000	0.0000	0.0000	0.0108	0.2000	0.1748
55	0.0000	0.0000	0.0000	0.1170	0.1429	0.1748
56	0.0000	0.1818	0.0000	0.1170	0.3182	0.1748
57	0.0000	0.0000	0.0000	0.1170	0.2778	0.1748
58	0.0000	0.5000	0.0000	0.1170	0.0000	0.1748
59	0.0000	0.0000	0.0000	0.2860	0.1818	0.2278
60	0.0000	0.0000	0.0000	0.0780	0.2143	0.2278
61	0.0000	0.3333	0.0000	0.0840	0.5000	0.2278
62	0.0000	0.0000	0.0000	0.1680	0.3333	0.2278
63	0.0000	0.0000	0.0000	0.1050	0.2000	0.2278
64	0.0000	0.0000	0.0000	0.1050	0.0000	0.3780
65	0.0000	0.0000	0.0000	0.2205	0.3333	0.3780
66	0.0000	0.0000	0.0000	0.1575	0.0000	0.3780
67	0.0000	0.0000	0.0000	0.1365	0.0000	0.3780
68	0.0000	0.0000	0.0000	0.1155	0.0000	0.3780
69	0.0000	0.0000	0.0000	0.1155	0.0000	0.3780

TABLE 9

COMPARISON OF ACTUAL AND EXPECTED SALARY INCREASES

STATE

AGE	CURRENT RATES	ACTUAL RATES	PROPOSED RATES
20	6.63%	9.93%	6.63%
25	6.40%	9.27%	6.40%
30	6.15%	8.36%	6.15%
35	5.90%	6.99%	5.90%
40	5.65%	5.80%	5.65%
45	5.40%	5.17%	5.40%
50	5.15%	4.61%	5.15%
55	4.90%	4.33%	4.90%
60	4.62%	4.28%	4.62%
65	4.21%	4.39%	4.21%

LOCAL EMPLOYERS

AGE	CURRENT RATES	ACTUAL RATES	PROPOSED RATES
20	6.63%	10.46%	6.63%
25	6.40%	8.84%	6.40%
30	6.15%	7.32%	6.15%
35	5.90%	6.66%	5.90%
40	5.65%	6.37%	5.65%
45	5.40%	6.14%	5.40%
50	5.15%	5.63%	5.15%
55	4.90%	5.29%	4.90%
60	4.62%	4.98%	4.62%
65	4.21%	4.80%	4.21%

TABLE 10

RATES OF MORTALITY FOR RETIRED MEMBERS ON ACCOUNT OF SERVICE

STATE AND LOCAL EMPLOYEES COMBINED

	MALE			FEMALE		
Age	Present Rate	Actual Rate	Proposed Rate	Present Rate	Actual Rate	Proposed Rate
45	0.00290	0.00000	0.00162	0.00140	0.00000	0.00113
50	0.00459	0.00768	0.00244	0.00207	0.00169	0.00171
55	0.00723	0.00904	0.00420	0.00340	0.00580	0.00278
60	0.01213	0.00958	0.00783	0.00579	0.00528	0.00518
65	0.02075	0.01728	0.01448	0.01002	0.00989	0.00982
70	0.03416	0.02849	0.02485	0.01758	0.01552	0.01686
75	0.05384	0.04500	0.04259	0.03007	0.02580	0.02832
80	0.08362	0.06876	0.07291	0.04939	0.04386	0.04641
85	0.12536	0.11111	0.12399	0.07891	0.06983	0.07844
90	0.17517	0.17244	0.19997	0.12274	0.12827	0.13207
95	0.22711	0.23481	0.28345	0.18891	0.20693	0.19367

TABLE 10

RATES OF MORTALITY FOR RETIRED MEMBERS ON ACCOUNT OF DISABILITY

STATE AND LOCAL EMPLOYEES COMBINED

	MALE			FEMALE		
Age	Present Rate	Actual Rate	Proposed Rate	Present Rate	Actual Rate	Proposed Rate
45	0.03687	0.01681	0.02950	0.02781	0.01767	0.02225
50	0.04129	0.02543	0.03303	0.03292	0.01947	0.02633
55	0.04511	0.03507	0.04060	0.03715	0.02480	0.02972
60	0.05114	0.04378	0.04603	0.03776	0.02657	0.03021
65	0.06063	0.05519	0.06063	0.03649	0.03428	0.03649
70	0.07125	0.06331	0.07125	0.04778	0.04996	0.04778
75	0.07718	0.08360	0.07718	0.05945	0.05258	0.05945
80	0.10508	0.09434	0.10508	0.08429	0.07510	0.08429
85	0.14730	0.11538	0.14730	0.14067	0.10455	0.14067
90	0.18634	0.27723	0.18634	0.20613	0.20896	0.20613
95	0.26434	0.40000	0.26434	0.30114	0.33333	0.30114

TABLE 10

RATES OF MORTALITY FOR ALL BENEFICIARIES OF DECEASED MEMBERS

STATE AND LOCAL EMPLOYEES COMBINED

	MALE			FEMALE		
Age	Present Rate	Actual Rate	Proposed Rate	Present Rate	Actual Rate	Proposed Rate
45	0.00290	0.01720	0.00290	0.00140	0.00664	0.00140
50	0.00459	0.00000	0.00459	0.00207	0.00684	0.00459
55	0.00723	0.01166	0.00723	0.00340	0.00654	0.00340
60	0.01213	0.00452	0.01213	0.00579	0.01494	0.00579
65	0.02075	0.02376	0.02075	0.01002	0.01580	0.01002
70	0.03416	0.02124	0.03416	0.01758	0.02183	0.01758
75	0.05384	0.05804	0.05384	0.03007	0.03012	0.03007
80	0.08362	0.07629	0.08362	0.04939	0.04581	0.04939
85	0.12536	0.10847	0.12536	0.08680	0.07536	0.08680
90	0.17517	0.17949	0.17517	0.13502	0.13446	0.13502
95	0.22711	0.31915	0.22711	0.20835	0.21386	0.20835

V. COST IMPACT OF THE PROPOSED ASSUMPTIONS

The overall effect of the proposed changes in assumptions would be to increase the normal cost and accrued liability obligation for both State and local employers. The following chart presents a summary of the liabilities and contributions under the current and proposed assumptions using the July 1, 2005 valuation results:

	State		Local Employers	
	Current	**Proposed**	**Current**	**Proposed**
Actuarial Accrued Liability	$ 13,682,163,564	$ 14,067,191,221	$ 18,341,857,304	$ 18,877,624,367
Additional Accrued Liability		$ 385,027,657		$ 537,767,063
Unfunded Accrued Liability/(Surplus)	$ 2,801,470,094	$ 3,184,814,183	$ 1,737,132,375	$ 2,274,583,006
Required Contribution:				
• Normal Cost				
(i) Basic/COLA	$ 152,662,268	$ 168,774,380	$ 212,378,393	$ 234,193,696
(ii) Group Insurance Premium Fund	24,168,169	24,168,169	37,214,341	37,214,341
(iii) Chapters 133, 259 and 366	33,010,043	35,766,165	50,116,591	54,153,783
• Accrued Liability Payment				
(i) Basic/COLA	170,788,394	194,150,958	129,608,566	161,689,894
(ii) Chapters 259 and 366	821,345	821,345	2,079,614	2,079,614
(iii) ERI Contributions	N/A	N/A	13,397,046	13,397,046
• Total Legislation Offsets	(22,874,022)	(20,774,486)	(52,196,205)	(56,233,467)
• Total Contributions	$ 358,576,197	$ 402,906,531	$ 392,598,346	$ 446,494,977
Additional Annual Contribution*		$ 44,330,334		$ 53,896,631

*The "true" additional annual cost (excluding reductions for Legislation Offsets) is $42,230,798 for State and $57,933,893 for local employers.

The calculations were based on the same data, actuarial methods and assumptions, including an 8.25% interest rate, as were used in the July 1, 2005 valuation with the exception of these proposed changes.

If the Board approves of these recommendations, the attached resolutions may be used in adopting the tables.

VI. RESOLUTIONS PROVIDING FOR ADOPTION OF SERVICE AND MORTALITY TABLES FOR THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEW JERSEY

WHEREAS, the investigation of the experience of members and beneficiaries of the Public Employees' Retirement System which was prepared as of June 30, 2005 indicated that the active service tables previously adopted by the Board required modification in order that they reflect more closely the actual past experience of the membership, and

WHEREAS, The actuary has prepared new tables, which he recommends for adoption, therefore be it

RESOLVED, That in accordance with Section 19 of Chapter 15A of the New Jersey Statutes, and on the basis of the recommendations of the actuary, the Board of Trustees hereby approves for use the attached active service tables for use in calculating the employers' rates of contribution and in valuing the liabilities on account of both active and retired members on and after July 1, 2006, and be it further

RESOLVED, That any resolutions heretofore adopted by the Board of Trustees with respect to mortality and service tables not inconsistent with the resolutions herein presented be continued in full force and effect.

TABLE 1

ACTIVE SERVICE AND RETIREMENT TABLES

AGE	SELECT RATES OF WITHDRAWAL – STATE EMPLOYEES			SELECT RATES OF WITHDRAWAL – LOCAL EMPLOYEES		
	1st Year	2nd Year	3rd Year	1st Year	2nd Year	3rd Year
20	0.20642	0.15920	0.11202	0.23383	0.17790	0.12193
21	0.20642	0.15920	0.11202	0.23383	0.17790	0.12193
22	0.20642	0.15920	0.11202	0.23383	0.17790	0.12193
23	0.20642	0.15920	0.11202	0.23383	0.17790	0.12193
24	0.20642	0.15920	0.11202	0.23383	0.17790	0.12193
25	0.20642	0.15920	0.11202	0.23383	0.17790	0.12193
26	0.20642	0.15920	0.11202	0.23383	0.17790	0.12193
27	0.20642	0.15920	0.11202	0.23383	0.17790	0.12193
28	0.20642	0.15920	0.11202	0.21992	0.16532	0.11067
29	0.20642	0.15920	0.11202	0.21388	0.15986	0.10578
30	0.20642	0.15920	0.11202	0.20784	0.15439	0.10089
31	0.20642	0.15920	0.11202	0.20256	0.14962	0.09662
32	0.20642	0.15920	0.11202	0.19727	0.14483	0.09223
33	0.17597	0.13362	0.09132	0.18188	0.13268	0.08341
34	0.16841	0.12968	0.08560	0.17687	0.12815	0.07936
35	0.16085	0.12034	0.07988	0.17186	0.12362	0.07530
36	0.15866	0.11842	0.07822	0.17036	0.12227	0.07409
37	0.15647	0.11651	0.07657	0.16887	0.12091	0.07288
38	0.13715	0.10186	0.06659	0.16736	0.11955	0.07167
39	0.13521	0.10015	0.06513	0.16587	0.11820	0.07045
40	0.13326	0.09845	0.06366	0.16437	0.11684	0.06924
41	0.13175	0.09712	0.06251	0.16331	0.11588	0.06837
42	0.13025	0.09580	0.06137	0.16223	0.11491	0.06752
43	0.12874	0.09447	0.06023	0.16117	0.11395	0.06665
44	0.12722	0.09314	0.05909	0.16011	0.11299	0.06579
45	0.12571	0.09182	0.05794	0.15904	0.11202	0.06493
46	0.12410	0.09040	0.05672	0.15782	0.11092	0.06394
47	0.12248	0.08898	0.05550	0.15660	0.10981	0.06295
48	0.12086	0.08756	0.05427	0.15538	0.10870	0.06196
49	0.11925	0.08614	0.05305	0.15415	0.10760	0.06097
50	0.11762	0.08472	0.05182	0.15293	0.10649	0.05998
51	0.11662	0.08383	0.05106	0.15218	0.10581	0.05937
52	0.11562	0.08295	0.05030	0.15143	0.10514	0.05876
53	0.11461	0.08206	0.04954	0.15068	0.10446	0.05816
54	0.11360	0.08118	0.04874	0.14993	0.10378	0.05756
55	0.11259	0.08030	0.04802	0.14918	0.10310	0.05694
56	0.19186	0.14990	0.10799	0.15080	0.10456	0.05826
57	0.27114	0.21951	0.16797	0.15243	0.10605	0.05958
58	0.35042	0.28912	0.22794	0.15407	0.10752	0.06090
59	0.42969	0.35873	0.28792	0.15569	0.10899	0.06222

TABLE 1

ACTIVE SERVICE AND RETIREMENT TABLES
(CONTINUED)

AGE	RATES OF:							
	Ultimate Withdrawal				Death			
	Before Eligibility for Benefit		After Eligibility for Benefit* (Vested Termination)		Ordinary		Accidental	
	State Employees	Local Employees	State Employees	Local Employees	State Employees	Local Employees	State Employees	Local Employees
20	0.08500	0.10000			0.00050	0.00040	0.00001	0.00001
21	0.08500	0.10000			0.00050	0.00040	0.00001	0.00001
22	0.08500	0.10000			0.00050	0.00040	0.00001	0.00001
23	0.08377	0.09900			0.00050	0.00040	0.00001	0.00001
24	0.08377	0.09900			0.00050	0.00040	0.00001	0.00001
25	0.08377	0.09900			0.00050	0.00040	0.00001	0.00001
26	0.07749	0.09900			0.00052	0.00042	0.00001	0.00001
27	0.07121	0.09900			0.00054	0.00044	0.00001	0.00001
28	0.06579	0.08162			0.00056	0.00046	0.00001	0.00001
29	0.05942	0.07861			0.00058	0.00048	0.00001	0.00001
30	0.05306	0.07561	0.00000	0.00030	0.00060	0.00050	0.00001	0.00001
31	0.04994	0.07158	0.00000	0.00030	0.00064	0.00052	0.00001	0.00001
32	0.04682	0.06755	0.00000	0.00031	0.00068	0.00054	0.00001	0.00001
33	0.03889	0.04574	0.00040	0.00038	0.00072	0.00056	0.00001	0.00001
34	0.03611	0.04284	0.00044	0.00039	0.00076	0.00058	0.00001	0.00001
35	0.03333	0.03995	0.00048	0.00039	0.00080	0.00060	0.00001	0.00001
36	0.03333	0.03914	0.00048	0.00041	0.00086	0.00066	0.00001	0.00001
37	0.03333	0.03834	0.00048	0.00043	0.00092	0.00072	0.00001	0.00001
38	0.01999	0.03405	0.00053	0.00050	0.00098	0.00078	0.00001	0.00001
39	0.01999	0.03332	0.00053	0.00053	0.00104	0.00084	0.00001	0.00001
40	0.01999	0.03259	0.00053	0.00055	0.00110	0.00090	0.00001	0.00001
41	0.01866	0.03185	0.00057	0.00058	0.00118	0.00098	0.00001	0.00001
42	0.01734	0.03112	0.00060	0.00061	0.00126	0.00106	0.00001	0.00001
43	0.01630	0.03039	0.00167	0.00170	0.00134	0.00114	0.00001	0.00001
44	0.01494	0.02966	0.00176	0.00179	0.00142	0.00122	0.00001	0.00001
45	0.01359	0.02893	0.00185	0.00187	0.00150	0.00130	0.00001	0.00001
46	0.01359	0.02748	0.00297	0.00266	0.00166	0.00148	0.00001	0.00001
47	0.01359	0.02604	0.00409	0.00345	0.00182	0.00166	0.00001	0.00001
48	0.01120	0.02459	0.00700	0.00454	0.00198	0.00184	0.00001	0.00001
49	0.01120	0.02314	0.00700	0.00539	0.00214	0.00202	0.00001	0.00001
50	0.01120	0.02170	0.00700	0.00623	0.00230	0.00220	0.00001	0.00001
51	0.01120	0.02130	0.00700	0.00699	0.00254	0.00240	0.00001	0.00001
52	0.01120	0.02090	0.00700	0.00774	0.00278	0.00260	0.00001	0.00001
53	0.01260	0.01865	0.00700	0.00620	0.00302	0.00280	0.00001	0.00001
54	0.01260	0.01793	0.00700	0.00620	0.00326	0.00300	0.00001	0.00001
55	0.01260	0.01793	0.00700	0.00620	0.00350	0.00320	0.00001	0.00001
56	0.01260	0.01793	0.00700	0.00620	0.00376	0.00350	0.00001	0.00001
57	0.01260	0.01793	0.00700	0.00620	0.00402	0.00380	0.00001	0.00001
58	0.01260	0.01793	0.00700	0.00620	0.00428	0.00410	0.00001	0.00001
59	0.01260	0.01793	0.00700	0.00620	0.00454	0.00440	0.00001	0.00001
60					0.00480	0.00470	0.00001	0.00001
61					0.00518	0.00514	0.00001	0.00001
62					0.00556	0.00558	0.00001	0.00001
63					0.00594	0.00602	0.00001	0.00001
64					0.00632	0.00646	0.00001	0.00001
65					0.00670	0.00690	0.00001	0.00001
66					0.00717	0.00733	0.00001	0.00001
67					0.00765	0.00775	0.00001	0.00001
68					0.00812	0.00818	0.00001	0.00001
69					0.00860	0.00860	0.00001	0.00001

* The sum of the rates of withdrawal after eligibility for a benefit and those prior to eligibility are the rates assumed for members withdrawing with a benefit.

TABLE 1

ACTIVE SERVICE AND RETIREMENT TABLES (CONTINUED)

AGE	RATES OF:					
	DISABILITY				Service Retirement	
	Ordinary		Accidental			
	State Employees	Local Employees	State Employees	Local Employees	State Employees	Local Employees
20	0.00005	0.00000	0.00001	0.00001		
21	0.00005	0.00000	0.00001	0.00001		
22	0.00005	0.00000	0.00001	0.00001		
23	0.00006	0.00000	0.00001	0.00002		
24	0.00006	0.00000	0.00001	0.00002		
25	0.00006	0.00000	0.00001	0.00002		
26	0.00009	0.00000	0.00001	0.00003		
27	0.00013	0.00000	0.00002	0.00004		
28	0.00067	0.00043	0.00002	0.00004		
29	0.00081	0.00057	0.00003	0.00004		
30	0.00097	0.00071	0.00003	0.00004		
31	0.00102	0.00101	0.00004	0.00004		
32	0.00106	0.00131	0.00005	0.00004		
33	0.00180	0.00162	0.00007	0.00004		
34	0.00210	0.00192	0.00008	0.00004		
35	0.00240	0.00222	0.00009	0.00004		
36	0.00260	0.00256	0.00010	0.00004		
37	0.00279	0.00289	0.00011	0.00006		
38	0.00299	0.00323	0.00013	0.00008		
39	0.00318	0.00356	0.00014	0.00008		
40	0.00338	0.00390	0.00015	0.00008		
41	0.00373	0.00391	0.00016	0.00008		
42	0.00408	0.00392	0.00017	0.00008		
43	0.00443	0.00392	0.00017	0.00009		
44	0.00478	0.00393	0.00018	0.00010		
45	0.00513	0.00394	0.00019	0.00010		
46	0.00526	0.00417	0.00020	0.00011		
47	0.00539	0.00440	0.00021	0.00012		
48	0.00551	0.00464	0.00021	0.00014		
49	0.00564	0.00487	0.00022	0.00014		
50	0.00577	0.00510	0.00023	0.00014		
51	0.00625	0.00553	0.00025	0.00015		
52	0.00674	0.00596	0.00027	0.00016		
53	0.00722	0.00663	0.00028	0.00016		
54	0.00771	0.00715	0.00030	0.00017		
55	0.00819	0.00768	0.00032	0.00018	0.15400	0.11700
56	0.00959	0.00750	0.00034	0.00019	0.11200	0.11700
57	0.01099	0.00729	0.00036	0.00020	0.11200	0.11700
58	0.01334	0.00885	0.00037	0.00021	0.11200	0.11700
59	0.01462	0.00980	0.00039	0.00022	0.21000	0.28600
60	0.01590	0.00992	0.00041	0.00023	0.08800	0.07800
61	0.01602	0.01037	0.00043	0.00023	0.08800	0.08400
62	0.01613	0.01083	0.00045	0.00025	0.18000	0.16800
63	0.01600	0.01128	0.00046	0.00025	0.14000	0.10500
64	0.01626	0.01174	0.00048	0.00025	0.15000	0.10500
65	0.01653	0.01219	0.00050	0.00025	0.23100	0.22050
66	0.01686	0.01277	0.00051	0.00025	0.18000	0.15750
67	0.01786	0.01335	0.00051	0.00025	0.15000	0.13650
68	0.01878	0.01393	0.00051	0.00025	0.15000	0.11550
69	0.01968	0.01451	0.00052	0.00025	0.15000	0.11550
70	0.00000	0.00000	0.00000	0.00000	1.00000	1.00000

TABLE 1

ACTIVE SERVICE AND RETIREMENT TABLE (CONTINUED)

AGE	State and Local Employees Rates of: Prosecutors Part Service Retirement with Service				
	Less than 20 Years				
	State	Local	20 Years	21 to 24 Years	More than 24 Years
20	0.00000	0.00000	0.00000	0.00000	0.00000
21	0.00000	0.00000	0.00000	0.00000	0.00000
22	0.00000	0.00000	0.00000	0.00000	0.00000
23	0.00000	0.00000	0.00000	0.00000	0.00000
24	0.00000	0.00000	0.00000	0.00000	0.00000
25	0.00000	0.00000	0.00000	0.00000	0.00000
26	0.00000	0.00000	0.00000	0.00000	0.00000
27	0.00000	0.00000	0.00000	0.00000	0.00000
28	0.00000	0.00000	0.00000	0.00000	0.00000
29	0.00000	0.00000	0.00000	0.00000	0.00000
30	0.00000	0.00000	0.00000	0.00000	0.00000
31	0.00000	0.00000	0.00000	0.00000	0.00000
32	0.00000	0.00000	0.00000	0.00000	0.00000
33	0.00000	0.00000	0.00000	0.00000	0.00000
34	0.00000	0.00000	0.00000	0.00000	0.00000
35	0.00000	0.00000	0.00000	0.00000	0.00000
36	0.00000	0.00000	0.00000	0.00000	0.00000
37	0.00000	0.00000	0.00000	0.00000	0.00000
38	0.00000	0.00000	0.00000	0.00000	0.00000
39	0.00000	0.00000	0.02500	0.00000	0.15400
40	0.00000	0.00000	0.02500	0.00000	0.15400
41	0.00000	0.00000	0.02500	0.00000	0.15400
42	0.00000	0.00000	0.02500	0.00000	0.15400
43	0.00000	0.00000	0.02500	0.00000	0.15400
44	0.00000	0.00000	0.02500	0.00000	0.15400
45	0.00000	0.00000	0.02500	0.00000	0.15400
46	0.00000	0.00000	0.02500	0.00000	0.15400
47	0.00000	0.00000	0.02500	0.00000	0.15400
48	0.00000	0.00000	0.03750	0.00000	0.15400
49	0.00000	0.00000	0.03750	0.00000	0.15400
50	0.00000	0.00000	0.03750	0.00000	0.15400
51	0.00000	0.00000	0.03750	0.00000	0.15400
52	0.00000	0.00000	0.03750	0.00000	0.15400
53	0.00000	0.00000	0.05000	0.00000	0.17480
54	0.00000	0.00000	0.05000	0.00000	0.17480
55	0.02585	0.03060	0.05000	0.00000	0.17480
56	0.02585	0.03060	0.05000	0.00000	0.17480
57	0.02585	0.03060	0.05000	0.00000	0.17480
58	0.02630	0.03060	0.05000	0.00000	0.17480
59	0.02630	0.03060	0.05000	0.00000	0.22780
60	0.02630	0.03060	0.05000	0.00000	0.22780
61	0.02630	0.03060	0.05000	0.00000	0.22780
62	0.02630	0.03060	0.15000	0.00000	0.22780
63	0.02630	0.03060	0.15000	0.00000	0.22780
64	0.02630	0.03060	0.37500	0.00000	0.37800
65	0.02630	0.03060	0.37500	0.00000	1.00000
66	0.02630	0.03060	0.37500	0.00000	
67	0.02630	0.03060	0.37500	0.00000	
68	0.02630	0.03060	0.37500	0.00000	
69	0.02630	0.03060	0.37500	0.00000	

TABLE 2

ACTIVE SALARY INCREASE TABLE

Age	Increase Rate	Age	Increase Rate
20	0.0665	45	0.0540
21	0.0660	46	0.0535
22	0.0655	47	0.0530
23	0.0650	48	0.0525
24	0.0645	49	0.0520
25	0.0640	50	0.0515
26	0.0635	51	0.0510
27	0.0630	52	0.0505
28	0.0625	53	0.0500
29	0.0620	54	0.0495
30	0.0615	55	0.0490
31	0.0610	56	0.0485
32	0.0605	57	0.0480
33	0.0600	58	0.0475
34	0.0595	59	0.0470
35	0.0590	60	0.0465
36	0.0585	61	0.0455
37	0.0580	62	0.0445
38	0.0575	63	0.0435
39	0.0570	64	0.0425
40	0.0565	65	0.0415
41	0.0560	66	0.0415
42	0.0555	67	0.0415
43	0.0550	68	0.0415
44	0.0545	69	0.0415

TABLE 3

MORTALITY TABLES FOR SERVICE RETIREMENTS

AGE	RATES OF MORTALITY		AGE	RATES OF MORTALITY	
	MEN	WOMEN		MEN	WOMEN
20	0.00036	0.00019	63	0.01128	0.00765
21	0.00037	0.00019	64	0.01274	0.00862
22	0.00037	0.00019	65	0.01441	0.00971
23	0.00038	0.00020	66	0.01608	0.01095
24	0.00038	0.00020	67	0.01787	0.01216
25	0.00038	0.00021	68	0.01980	0.01345
26	0.00038	0.00021	69	0.02221	0.01486
27	0.00039	0.00022	70	0.02457	0.01674
28	0.00041	0.00024	71	0.02728	0.01858
29	0.00044	0.00025	72	0.03039	0.02066
30	0.00050	0.00026	73	0.03390	0.02297
31	0.00056	0.00031	74	0.03783	0.02546
32	0.00063	0.00035	75	0.04217	0.02811
33	0.00070	0.00039	76	0.04691	0.03097
34	0.00077	0.00043	77	0.05212	0.03411
35	0.00084	0.00047	78	0.05793	0.03759
36	0.00090	0.00051	79	0.06437	0.04151
37	0.00096	0.00055	80	0.07204	0.04588
38	0.00102	0.00060	81	0.08049	0.05078
39	0.00108	0.00065	82	0.08972	0.05629
40	0.00114	0.00071	83	0.09978	0.06251
41	0.00121	0.00077	84	0.11076	0.06952
42	0.00130	0.00085	85	0.12280	0.07745
43	0.00140	0.00094	86	0.13604	0.08638
44	0.00151	0.00103	87	0.15059	0.09634
45	0.00162	0.00112	88	0.16642	0.10730
46	0.00173	0.00122	89	0.18341	0.11915
47	0.00186	0.00133	90	0.19977	0.13168
48	0.00200	0.00143	91	0.21661	0.14460
49	0.00214	0.00155	92	0.23366	0.15762
50	0.00245	0.00168	93	0.25069	0.17043
51	0.00267	0.00185	94	0.26749	0.18280
52	0.00292	0.00202	95	0.28391	0.19451
53	0.00320	0.00221	96	0.29985	0.20538
54	0.00362	0.00242	97	0.31530	0.21524
55	0.00420	0.00272	98	0.33021	0.22395
56	0.00469	0.00309	99	0.34456	0.23139
57	0.00527	0.00348	100	0.35863	0.23747
58	0.00595	0.00392	101	0.37169	0.24483
59	0.00675	0.00444	102	0.38304	0.25450
60	0.00768	0.00506	103	0.39200	0.26604
61	0.00876	0.00581	104	0.39789	0.27905
62	0.01001	0.00666	105	0.40000	0.29312

TABLE 3

MORTALITY TABLES FOR DISABILITY RETIREMENTS

AGE	RATES OF MORTALITY		AGE	RATES OF MORTALITY	
	MEN	WOMEN		MEN	WOMEN
20	0.07010	0.03568	63	0.05613	0.03308
21	0.06200	0.03834	64	0.05818	0.03466
22	0.05491	0.04040	65	0.06041	0.03633
23	0.04877	0.04109	66	0.06286	0.03817
24	0.04869	0.04167	67	0.06555	0.04021
25	0.04574	0.04206	68	0.06845	0.04243
26	0.04098	0.04226	69	0.07168	0.04489
27	0.03576	0.04221	70	0.07516	0.04751
28	0.03129	0.04189	71	0.06866	0.05044
29	0.02817	0.04125	72	0.07232	0.05363
30	0.02635	0.04027	73	0.06866	0.05187
31	0.02550	0.03898	74	0.07255	0.05532
32	0.02520	0.03734	75	0.07679	0.05914
33	0.02516	0.03896	76	0.08141	0.06323
34	0.02521	0.03658	77	0.08649	0.06770
35	0.02530	0.03403	78	0.09202	0.07261
36	0.02541	0.03136	79	0.09796	0.07791
37	0.02553	0.02874	80	0.10454	0.08383
38	0.02566	0.02621	81	0.11154	0.09005
39	0.02581	0.02393	82	0.11935	0.09707
40	0.02597	0.02193	83	0.12755	0.12021
41	0.02614	0.02026	84	0.13678	0.12956
42	0.02634	0.01895	85	0.14648	0.13977
43	0.02654	0.01800	86	0.15707	0.15094
44	0.02677	0.01734	87	0.16862	0.16285
45	0.03107	0.02544	88	0.16074	0.17581
46	0.03139	0.02522	89	0.17267	0.18970
47	0.03173	0.02526	90	0.18536	0.20511
48	0.03212	0.02545	91	0.19928	0.22111
49	0.03253	0.02578	92	0.21366	0.23894
50	0.03299	0.02630	93	0.22934	0.25767
51	0.03349	0.02676	94	0.24378	0.27799
52	0.03404	0.02738	95	0.26371	0.29976
53	0.03896	0.02808	96	0.28246	0.32405
54	0.03973	0.02883	97	0.30241	0.34625
55	0.04052	0.02962	98	0.32316	0.37533
56	0.04141	0.03051	99	0.34503	0.40117
57	0.04238	0.03154	100	0.36798	0.43125
58	0.04345	0.03255	101	0.39138	0.46000
59	0.04463	0.03376	102	0.41626	0.49286
60	0.04590	0.03508	103	0.44137	0.54305
61	0.04731	0.02431	104	0.46691	0.54473
62	0.04885	0.02534	105	1.00000	1.00000

TABLE 3

MORTALITY TABLES FOR BENEFICIARIES OF DECEASED MEMBERS

AGE	RATES OF MORTALITY		AGE	RATES OF MORTALITY	
	MEN	WOMEN		MEN	WOMEN
20	0.00095	0.00026	63	0.01659	0.00792
21	0.00101	0.00027	64	0.01848	0.00885
22	0.00106	0.00028	65	0.02056	0.00989
23	0.00109	0.00029	66	0.02283	0.01107
24	0.00111	0.00030	67	0.02530	0.01239
25	0.00112	0.00030	68	0.02798	0.01387
26	0.00112	0.00031	69	0.03085	0.01553
27	0.00111	0.00033	70	0.03394	0.01738
28	0.00110	0.00034	71	0.03724	0.01942
29	0.00109	0.00037	72	0.04080	0.02168
30	0.00109	0.00040	73	0.04465	0.02416
31	0.00110	0.00043	74	0.04884	0.02687
32	0.00111	0.00047	75	0.05342	0.02981
33	0.00114	0.00052	76	0.05842	0.03301
34	0.00118	0.00058	77	0.06388	0.03649
35	0.00123	0.00065	78	0.06981	0.04028
36	0.00130	0.00071	79	0.07623	0.04443
37	0.00139	0.00079	80	0.08313	0.04897
38	0.00149	0.00086	81	0.09052	0.05394
39	0.00162	0.00094	82	0.09839	0.05935
40	0.00177	0.00101	83	0.10677	0.07175
41	0.00194	0.00108	84	0.11564	0.07873
42	0.00214	0.00116	85	0.12498	0.08623
43	0.00236	0.00123	86	0.13471	0.09430
44	0.00261	0.00131	87	0.14472	0.10300
45	0.00288	0.00139	88	0.15489	0.11244
46	0.00317	0.00148	89	0.16511	0.12272
47	0.00348	0.00159	90	0.17526	0.13396
48	0.00382	0.00172	91	0.18530	0.14627
49	0.00417	0.00187	92	0.19527	0.15971
50	0.00455	0.00204	93	0.20528	0.17431
51	0.00497	0.00224	94	0.21554	0.19008
52	0.00542	0.00246	95	0.22628	0.20708
53	0.00592	0.00273	96	0.23783	0.22534
54	0.00649	0.00302	97	0.25061	0.24493
55	0.00714	0.00335	98	0.26509	0.26600
56	0.00787	0.00373	99	0.28181	0.28884
57	0.00872	0.00415	100	0.30138	0.31381
58	0.00967	0.00461	101	0.32440	0.34152
59	0.01076	0.00514	102	0.35139	0.37257
60	0.01198	0.00572	103	0.38274	0.40753
61	0.01335	0.00637	104	0.41867	0.44675
62	0.01488	0.00710	105	0.45909	0.49034

ADOPTION AND CERTIFICATION OF TABLES AND PROCEDURES PRESENTED

The foregoing tables and procedures, recommended by the actuary for adoption by the Board of Trustees, were considered by the Board at its regular meeting on _____, 2006 and officially approved in accordance with the resolutions passed.

_____

Secretary, Board of Trustees

_____, 2006